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TAP CHI CONG SAN

Strengthen Army-People Unity

42100005a Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 1-4

[Editorial]

[Text] Regularly and carefully consolidating and strengthening the Army-people relationship constitutes one of the fundamental principles of building the party's revolutionary army, and is a great responsibility of all our party members, people and troops. It is extremely important to combat, to the constant development of our Army, and to the entire revolutionary cause of our people.

We should be aware of all our victories and successes, while, at the same time, sternly criticizing erroneous manifestations in building Army-people solidarity. Faced with the current difficulties and fierce and complicated ordeals, some cadres and party members in certain party organs and state agencies, soldiers in the Army, and some people have been affected by negative influences in social life because of their still low political consciousness. They have fallen prey to incorrect thoughts and acts concerning the Army-people relationship. They have capitalized on loopholes, shortcomings, and mistakes in party leadership and state management and in the enforcement of military discipline to dodge the responsibility of building the Army and consolidating national defense, to neglect the duty of defending the country and to be unscrupulous and socially unjust in implementing their military obligations and the Army rear policy. Some cadres and combatants in the Army have proved to be haughty about their past deeds and have adopted bureaucratic and militaristic behavior, lacked a sense of discipline, made light of party organs, the administration and mass organizations; and shown a lack of respect for the people's life, property and right to mastery, giving way to many cases of serious and protracted violations of discipline.

Such a situation has ruptured the Army-people relationship and negatively affected the implementation of two strategic tasks. We should take practical measures to end such a situation.

President Ho Chi Minh once specified: "Our Army belongs to the people, was born of the people and fights for the people." "The people are like water, we are like fish. How much strength we get comes from the people." (Footnote 1) (Ho Chi Minh: "Regarding Armed Struggle and the People's Armed Forces," Quan Doi Nhan Dan Publishing House, Hanoi, 1970, p 166) It is clear that the people are the source of inexhaustible and invincible strength to our Army and our Army is a reliable force to protect the people, socialism and the socialist Vietnam Fatherland.

Today all socio-economic activities exert a two-way impact on the Army-people relationship. In particular, the socio-economic policies and guidelines usually have a direct impact on the implementation of military obligation law and the officer law, resolve the problems of Army rear service and war consequences, and quickly affect the morale and thinking of Army troops—those who are fighting and working on the frontline and those who are in active service as well as those who are going to be inducted and also their dependents. As a result, the guidelines and policies set forth must be correct to fulfill both the economic and national defense requirements. They must be strictly, publicly and justly implemented from the central down to primary levels by all echelons and sectors and in all domains of social life.

Army-people relations are also influenced by efforts to carry out the tasks of building the Army and consolidating national defense. If we satisfactorily achieve these tasks, with national defense not only prevented from being contradictory to economic building but also closely associated with, and made conducive to, economic development—thereby alleviating the burden on the economy and boosting the economic efficiency of the various sectors and localities—then such an achievement can also be a very important factor in the quest for stronger Army-people relations.

Our Army must really consider itself an offspring of the people, "originating from the people and fighting for the people." All soldiers must consciously and ceaselessly undergo training to enhance their awareness of the ideal and objective of fighting "for the socialist fatherland, for the people's happiness." In every one of their thoughts and actions they must place the interests of the party and people above all. They must do anything that is beneficial to the party, the people and socialism and avoid doing anything harmful to them. If the people in the rear can live in peace and happiness and zealously engage in productive work, study and public duties, then soldiers must consider this as a source of joy and happiness. In carrying out combat and official duties, soldiers must always display a sense of thrift, maintain all equipment, weapons and means of their material life well. In so doing, they will show their appreciation for the energy and effort contributed by the people. In their contact with the people, they must strictly abide by the discipline of Army-people relations and the state law. Wherever they are stationed and operate, soldiers must respect and voluntarily abide by local regulations and customs and take the initiative in establishing contact with local party and administrative committees and with organs and units directly subordinate to the central echelon but stationed in the localities concerned so as to coordinate actions in accordance with the state law and to avoid hindering the activities of these localities. In the course of their contact with the people, should there be any incidents detrimental to Army-people relations, the leaders and commanders of the units concerned must calmly, judiciously and promptly educate their men and apply measures to prevent untoward developments. At the

same time, they must discuss with the local party and administrative committees and people ways to settle such problems in a fair and reasonable manner. If a soldier is at fault, he must sincerely admit his mistake and correct it; he must also compensate the people for losses, if any.

At present, Army-people relations are not merely sentimental ones; they are also relations sealed by the common efforts to carry out state economic programs, economic cooperation plans between the Army and local people... For this reason, Army units should devise and develop various forms of Army-people cooperation and association to attain the very important objective of consolidating Army-people solidarity and make practical contributions to economic development and to the improvement of the people's living standards.

Depending on the situation and their actual capabilities, all Army echelons and units should hold discussions and reach agreement with state organs and local people to exert joint efforts in implementing the three economic programs set forth by the Sixth Party Congress. Whenever possible, Army units should actively assist the localities concerned, or cooperate with them in building projects that will practically serve the people's socio-economic life. Satisfactory achievement of such cooperation and assistance will have practical significance in both the immediate and distant future.

Along with regularly and attentively consolidating the Army-people relationship and improving the material and spiritual lives of troops, we should resolutely struggle to eliminate from Army life all negative behavior in economic relations and all bureaucratic and militaristic manifestations which oppress the masses to build internal solidarity and unity, single-mindedness of superiors and inferiors and respect for one another, so that cadres and combatants will share woe and weal together and love and help one another.

As regards those units that are operating in the highlands adjacent to the enemy border, the aforesaid tasks must be all the better implemented. Through courageous and stalwart combat we must firmly defend every inch of the country's border lands to win ever more confidence and love from the people, thus creating a strong battle plan and a direct rear for the units. Wholesomeness, healthiness, comradeship and close friendship among comrades-in-arms serve mainly as an extremely important base on which to build close and loyal Army-people solidarity and unity. During the 40 years or more of combat and victories, countless numbers of cadres and combatants have sacrificed themselves for the people and revolution. They are the marvelously shining examples of our Army and of the Army-people relationship just like the example of water and fish which generations of soldiers must follow and carry on meritoriously.

Since the very early days of the Army's birth, the people have wholeheartedly nurtured, protected and assisted our troops. This is mainly why our troops have enough material and moral strength to fight and defeat all aggressors and to fulfill their duty gloriously.

In the present work of national construction and defense, the people should be made even more aware of their responsibility to love, protect and assist their troops. Such protection and assistance is based on our people's high political awareness and sense of mastery over the implementation of their civic rights and obligations in national construction and defense. It is primarily manifested by their concern with educating and motivating their children and other members in their families and communities to satisfactorily fulfill their military obligations, by their sense of discipline and responsibility for building the Army and, at the same time, by their love, kindness and altruism for troops while remaining stern and generous in attentively guiding and assisting soldiers in firmly preserving the title of "Uncle Ho's soldiers."

Along with educating and motivating their relatives to fulfill the task of building the Army, our people must be truly concerned with helping station units undergo training, maintain combat readiness, fight and work in their localities. Whenever an incident harmful to Army-people solidarity occurs, it must be dealt with calmly in the spirit of a fish-and-water and kith and kin relationship, without causing strain. When faced with military regulations that compel the preservation of military secrecy and security, even though our personal interests are affected, we must willingly observe these regulations in the name of consolidating national defense and defending the country. Troops of course are not authorized to take advantage of these regulations to cause trouble for the people and encroach on their interests. At present, our Army operates under many conditions in a large theater of operations. Its mission is serious and troop management and education is difficult. The people should therefore uphold their responsibility for controlling and resolutely struggling against all negative phenomena in the Army to firmly maintain military discipline and state law.

Party and state organs and mass organizations at all levels play an important role in preserving and developing the valuable traditions of Army-people unity. With the help of various organs and mass organizations and under the leadership of party committee echelons, let's continue to develop the mass movement to give appropriate and concrete support and assistance to the armed forces. While shaping the common socio-economic policies for the entire nation and the specific regulations for each locality, we must take into account the need for consolidating Army-people relations and for preventing negativism. The motto of "letting people understand, discuss, implement and supervise" provides the best way to translate the above mentioned principles into reality and to achieve social justice and unanimity of mind and action between the Army and people.

Party and state organizations at all levels are dutybound to help the entire people understand national defense issues and improve their sense of responsibility toward building the people's Army. They are also responsible for the settlement of problems arising from Army-people relations. While working out solutions to these problems, we must take into consideration the common interest and give utmost importance to the need for consolidating the combined strength of, and unity between, the Army and people. We must absolutely guard ourselves against favoritism and regionalism. Realities indicate that in many cases, problems were not of a serious nature. However, our failure to adopt a correct attitude and proper problem-solving methods led to adverse consequences, thus creating conditions for the enemy and bad elements to weaken the strength of our unity.

Faced with the present situation, it would be very practical for all party members, civilians and members of the armed forces to fully understand Uncle Ho's teaching as follows: "With the complete unanimity between a good Army and good people, there is no such thing as an impossible mission. Deep-lying roots guarantee a tree's long-lasting life. Likewise, victory must be based on the support of the people." (Footnote 2) (Ho Cho Minh: "Selected Works," Su That Publishing House, 1930, Volume I, p 431)

Acting in line with this teaching, let all of us heighten our sense of responsibility and strive to strengthen Army-people unity, a very important factor contributing to leading the revolutionary undertaking of our working class and people to complete victory.

Some Matters of Basic Importance Concerning Restructuring the Economic Management Mechanism at Basic Units and Restructuring the State's Management of the Economy
42100005b Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 5-12

[Article by Vo Chi Cong, chairman, Council of State]

[Text] **I. The Characteristics of the Process of Shifting to a Commodity Economy and the Matter of Applying Economic Laws in Our Country Today**

The Sixth Congress of our party developed upon the view of the Fourth Congress concerning the most important characteristic of economic management in our country, namely, that we are managing an economy which is in the process of advancing from small-scale to large-scale, socialist production without experiencing the stage of capitalist development, and asserted: "The process of advancing from small-scale production to large-scale production in our country is the process of converting a highly subsistent economy into a commodity economy. We are managing, on the basis of plans, a commodity economy that reflects the characteristics of the period of transition."

The characteristics of the process of shifting to a commodity economy in our country today are:

1. The development of production forces, the relationships between goods and money and market relations is at a low level and lacking in uniformity.

2. The long war impeded the development of the relationships between goods and money and between the domestic and foreign markets.

3. The economy still consists of many different segments. Although the exploiting classes have been abolished, there are still certain forms of exploitation within society. The socialist segment of the economy, particularly the state-operated economy, now occupies the key and controlling position. In addition, the dictatorship of the proletariat is solid and strong and we have the strong support and cooperation of the Soviet Union and other socialist countries. These conditions have created the potentials for strongly developing the commodity economy toward socialism, which is an objective necessity.

4. The economy is seriously imbalanced in every respect: between production and circulation, between the formation of capital and consumption, between exports and imports, between money and goods...

5. The existence for many years of the mechanism based on bureaucratic centralism and state subsidies, a mechanism characterized by the old system of management regulations based on allotments and deliveries, by the use of mainly administrative orders and by a cumbersome management apparatus in all sectors and on all levels. This mechanism exists in its fullest form at those places that are centrally balanced and regulated in the allotments-delivery style, the ultimate consequence of which is low economic returns.

6. The chaotic and increasingly serious state of the economy and the market, particularly on the distribution-circulation front: rising inflation, unstable prices, difficult living conditions and an ineffective management system. This situation has strongly affected production and circulation activities and exerted a negative impact upon the whole of social life.

On the basis of the characteristics and the current state of our country's economy, there are three major steps that must be taken on a consistent basis:

First, shifting to a commodity economy is a necessary trend of development. This includes expanding the relationships between goods and money and market relations. At the same time, we must change these relations in order to establish a socialist commodity economy. The dismantling of the mechanism characterized by bureaucratic centralism and state subsidies and the shift

to the mechanism characterized by business accounting must be based on dismantling the allotment-delivery relations of the in-kind economy and gradually shifting to trade relations.

Secondly, to stimulate the process of shifting to a commodity economy, the socialist segment, most importantly the state-operated economy, must consciously play the dominant role and take the lead, that is, must fundamentally change the management mechanism, dismantle the mechanism based on bureaucratic centralism and state subsidies and shift to the mechanism based on business accounting.

Thirdly, the restructuring of the economic management mechanism must be carried out in a manner that is well coordinated with new policies concerning the structure of the economy. These are dynamic factors that will play the decisive role in helping to bring the economy beyond the difficulties being faced and move ahead to achieve the socio-economic goals of the present stage.

With the aim of performing the tasks mentioned above, there must be a change in thinking, most importantly the thinking concerning the system of laws.

The old thinking held that the socialist economy is not a commodity economy, but only characterized by commodity production, which was contrasted to the planned nature of the socialist economy.

The realities of the socialist countries have increasingly proven the need for the relationships between goods and money and market relations to exist and be expanded not only during the period of transition, but in the stage of developed socialism as well.

The new economic thinking adopted over the past several years confirms the organic unity between the special economic laws of socialism and the laws of a commodity economy. This new view is the basis of a strong force stimulating the development of commodity production and the socialist economy.

In the fraternal countries, the nature of economic laws as a system is manifested and applied under the real conditions of a full socialist economy as a unified entity.

In our country, within the context of the multi-segmented economy that exists in the initial stage of the period of transition, increasing attention must be given to applying economic laws as an entity so that we can adopt appropriate policies and establish an appropriate mechanism. Within the system of laws, the fundamental economic law together with the other special laws of socialism play an increasingly dominant role and move as an entity unified with the laws of commodity production, especially the law of value, the law of supply and demand, etc.

The old economic thinking was based on simple concepts of socialism that did not recognize the existence of an economy consisting of many different segments as inevitable or that only viewed this economy as existing for a very brief period of time. Therefore, this thinking sought to accelerate the production relations revolution through collectivization. The sooner this was achieved, the better. This view led to being impetuous at one point in time but relaxing our efforts in socialist transformation at another. On the other hand, the old thinking also considered the socialist economy to be a system of production of a directly social nature from the very outset, a system with no need to make use of the relationships between goods and money. This led to exaggerating the capabilities of direct, central organization, management and planning by the upper level based mainly on administrative authority and the relationships among material resources, to stressing the importance of the central plan, giving little attention to the law of value and undermining the true meaning of the principle of democratic centralism in economic management.

The management mechanism based on bureaucratic centralism and state subsidies seriously violates objective laws in two respects:

First, it interferes with the dialectical impact between production relations and production forces as well as between the management mechanism and the objects of management.

Secondly, it violates the objective nature of economic laws and the nature of these laws as a system. Consequently, this management mechanism is based mainly on orders closely tied to the failure to truly recognize the laws and categories of commodity production. The violation of the laws of commodity production inevitably leads to the violation of each economic law, including the fundamental economic law, and makes its impossible for the movement of the other laws to occur.

In the period of transition, the multi-segmented structure of the economy and the nature of laws as a system are the inherent characteristics of the process of commodity reproduction within the context of advancing from small-scale production to large-scale, socialist production.

The new management mechanism has planning at its center and is based on socialist business accounting. Business accounting and planning are not opposites that impede each other. Rather, they function within a unified entity. Moreover, planning based on business accounting is the best way to meet the requirements of the fundamental economic law and achieve the combination and unification of the economic interests of the state, the collective and the individual laborer.

The overriding view expressed in the trend toward the adoption of new thinking in the field of economic management is to truly see the objective, systems nature

of the economy as it shifts to a commodity economy with a multi-segmented structure as well as the necessary existence of the relationships between goods and money and market relations.

Our party has adopted new economic arguments concerning the categories of the market and prices. Above everything else, these arguments confirm the objective, unified nature of the social market, which today is a multi-segmented economic market in which the socialist segment with its organized market plays the dominant role. This has led to a change in our concept concerning the relationship between planning and the relationship between goods and money and market relations. The social market has been established as the object of management and planning because it is an integral part of the social reproduction process. In management and planning, the market must be considered a basis upon which plans and policies are formulated. If planning is used to work against these relations, it is impossible for planning to be anything but bureaucratic and incompatible with practice and laws.

Changing our concept of prices and our pricing mechanism are the most difficult problems we face. The basic issue here is to gradually shift to a business price mechanism, which is also called a one price mechanism. This is the important factor in shifting the entire planning, finance and banking system to socialist business accounting. The process of shifting to a business price mechanism will take several important directions:

First, implementing within the relations between the state and farmers and in addition to the tax obligation a trade policy based on the principle of equality, with negotiated procurement and selling prices under as well as outside contracts, to insure that the alliance of workers and farmers is strengthened.

Secondly, shifting away from the sale of consumer goods to a one business price mechanism closely tied to paying wages in money and gradually discontinuing the practice of paying wages in product form.

Thirdly, shifting from the material supply system to business practices with a system of material prices that closely approximate value. Moving toward a one price (business price) mechanism is essential. However, we must figure out appropriate steps to take and make adjustments as we proceed. In his speech at the Third Plenum of the Party Central Committee, General Secretary Nguyen Van Linh set the following guidelines for the immediate future: "The number of products for which there are two prices must be restricted to the maximum degree possible and we cannot allow the procurement and selling prices of the state to be at wide variance with prices on the social market. As long as inflation remains high, prices must be periodically adjusted by means of a dynamic mechanism. This is a

transitional, parallel measure that will result in two mechanisms existing at the same time so that we can eventually achieve a one price mechanism when the situation permits."

Facts have proven that the market and prices on the market are objective phenomena. They form and develop in accordance with laws and, as a result, can be regulated by entities that possess real strength, recognize these laws and possess business experience. To the extent that they recognize objective laws, possess the necessary economic strength and are experienced in business, large businesses can, with the administrative and educational assistance of the state, take actions to maintain prices, raise prices or reduce prices, whichever is required by the plan and policies. That is, they can control prices and the market in the competition with other commodity producers on the domestic and international markets.

Within the context of a multi-segmented economic policy and the expansion of trade, our state and state-operated economy occupy an overwhelming position in terms of the economic and financial forces they control and the administrative power they hold. Thus, they are fully capable of controlling and regulating prices on the market as dictated by policies and the national economic plan. However, to realize this capability, it is necessary to dismantle the mechanism based on bureaucratic centralism and state subsidies, be consistent in policy and shift to business accounting.

II. Converting the Basic Economic Units to Business Accounting

A. The basic economic unit—the starting point of the restructuring.

The basic economic unit is the cell of the national economy, is the place that creates material wealth for society each day, is the source of capital for the unit itself and for the state. Therefore, restructuring the management mechanism at basic units along lines that establish their independence is the key to closely tying authority to accountability, interests to obligations in order to unleash the strong forces of production and business activity.

Within the new mechanism, in general, the management mechanism that applies to the basic economic units within the socialist segment can be viewed from two perspectives: the internal management mechanism within basic economic units and the management mechanism by which the state manages basic economic units. The business accounting mechanism that applies to basic economic units is, above everything else, a mechanism designed to insure the independence of these units in production and business.

We must also adopt new thinking in three different areas concerning basic economic units: their function, their organizational model and their independence. The key

here is to truly consider the basic economic units to be commodity producers. This change in concept is consistent with the new view that the socialist economy is a commodity economy that recognizes and utilizes the relationships between goods and money. Within the old management mechanism, the basic economic units were not considered to be commodity producers. Their organizational model was virtually self-contained. Their independence was very narrow in scope because they primarily operated within a vertical relationship in which their responsibility was to acknowledge and carry out the orders of the upper level. Within the new mechanism, basic economic units are shifting to the function of commodity producer. Their organizational model has been expanded to vertical-horizontal relations (integration and joint businesses) and they possess broad independence corresponding to economic self-accountability within the framework of the plan and the law. The basic economic units in our country today (state-operated, collective) also serve the function of organizing, utilizing and transforming the private and self-employed segments of the economy. Only when basic economic units are strong and achieve high efficiency in their production and business can they play the dominant role within a multi-segmented economic structure now in the process of vigorously shifting to a commodity economy.

However, we cannot prepare the plans for all the different types of basic economic units in a short amount of time. The Third Plenum of the Party Central Committee was only able to discuss state-operated basic economic units and delve a little more deeply into state-operated industry. This was a practical approach to take. It provides us with a basis that will help us to refine, augment and improve the new management mechanism. It is a starting point from which we can demand that the dominant role of the state-operated economy within the multi-segmented economic structure be developed at an early date.

B. The differences between the business accounting mechanism and the old mechanism as they apply to basic economic units.

Some characteristics of the business accounting mechanism that apply to the basic economic units which differ in principle from the old mechanism are:

First, basic economic units are independent and responsible to themselves for deciding such matters as the guidelines for the development of their production and business, the technology and internal production organization plan, labor and wages and integration and joint business as well as the matters of the basic units' organization and management cadres...in a manner consistent with the direction and guidance set and provided by the state through long-term strategy, plans and programs, planning and the major balances together with policies and laws.

Second, within the new mechanism, basic economic units must approach the market as commodity producers and socialist businessmen. That is, they are partners in a trade relationship with other business entities and trade with them at business prices and within the sphere permitted by policies and the law.

Third, under the old mechanism, the plan was of a legally binding nature and determined by the upper level and plan discipline was purely administrative in nature, was the discipline of accepting and carrying out the orders from above. Under the new mechanism, the plan of the basic unit must be balanced on the basis of economic contracts and plan discipline is economic-legal discipline.

Fourth, in contrast to the old mechanism, under which revenues and expenditures were determined by orders, under the new mechanism, basic economic units are financially independent, must calculate their own revenues, expenditures and efficiency and are responsible for all profits and losses. At the same time, they are responsible for fulfilling obligations to the state and insuring that the three economic interests are correctly combined.

Fifth, under the old mechanism, basic economic units only accepted and passively complied with orders. Under the new mechanism, they truly have the status of an individual under the law, are responsible to the law and are under the inventory and control of the state. Each unit is equal in the eyes of the law.

Given these characteristics, the new mechanism is manifested in the following elements tantamount to principles:

—Making a decisive shift away from the management of the economy by means of mainly administrative orders characterized by allotments and deliveries to management mainly by economic methods combined with administrative and educational measures to insure that the plan truly plays the central role within the basic economic management system and insure the combined application of objective laws.

—Correctly implementing the principle of democratic centralism and combating bureaucratic centralism while also combating liberalism, the habit of doing as one sees fit, the lack of organization and so forth in order to develop the independence and accountability of economic units in conjunction with restructuring and increasing the effectiveness of the state's economic management.

—Combining and unifying the three different types of interests, among which the interests of the laborer are the immediate motivating force.

—The restructuring of the management mechanism must be closely combined with and stimulate the restructuring and reorganizing of production and the socialist transformation of the economy in order to gradually form a rational economic structure.

The above mentioned matters, all of which are in the nature of laws, must be thoroughly applied in the building of the new mechanism.

Theory as well as practice have proven that to move from one state to a qualitatively different state, transitional steps are necessary. We cannot make a leap forward to a higher form when the material conditions required for it have not been fully prepared. Under present conditions, what we need the most is a management strategy that corresponds to the current state of socio-economic development. This is a transitional economic form, a transitional management mechanism in which new factors and old factors are intertwined. In light of this thinking, we cannot yet shift the entire economy to full socialist business accounting.

The central issue raised in the resolution of the Third Plenum of the Party Central Committee is the need to guarantee the independence of basic state-operated economic units in production and business as socialist commodity producers. To achieve this, three requirements must be met:

—We must reorganize production, establish rational production-business guidelines and establish a rational model to insure high socio-economic returns and acquire the strength needed to guide and lead the other segments.

—We must guarantee the full independence of socialist commodity producers and closely tie their authority and interests to their responsibility and obligations.

—We must build a political organizational apparatus and a management organizational apparatus and assign to key leadership positions cadres who are independent, dynamic and principled managers who truly uphold the right of ownership of the collective of workers.

III. Restructuring the State's Management of the Economy

At the Third Plenum of the Party Central Committee on restructuring the economic management mechanism, Nguyen Van Linh said: "In the restructuring of the economic management mechanism, there are two basic questions being faced: restructuring the management mechanism on the level of basic units and restructuring the state's economic management. Practice as well as theory show that these two matters are organically linked. We cannot do one and ignore the other." (Footnote 1) (See: NHAN DAN Newspaper, 1 Sep 87) This means that to guarantee the independence of the enterprise, it is necessary to restructure the state's management of the economy. Of basic importance here is the

need to distinguish between the basic economic units' functions in directly managing production and business and the state's economic management functions.

The major drawbacks of the management methods based on bureaucratic centralism and state subsidies that have been practiced by state agencies for many years are: state agencies have taken the place of the lower levels and basic economic units and have not been correctly fulfilling the state's economic management functions on the macro scale:

—They have employed solely administrative measures based on in-kind economic relations and the delivery-allotment mechanism.

—Command authority: a system of functional apparatus that hold management authority but do not bear ultimate accountability.

To correct these weaknesses, the Third Plenum set a number of requirements in bringing about a basic step in the restructuring of the state's economic management mechanism:

A. The state's economic management functions:

—Formulating socio-economic and scientific-technical strategies, long-term planning by sector and territory and long-term, 5-year and yearly plans which establish and maintain the primary balances of the national economy;

—Promulgating management laws, policies and procedures and the principle economic-technical standards and quotas;

—Creating a favorable environment for production and business activities, which consists of the domestic economic environment and the overseas economic environment;

—Implementing policies and planning concerning the elementary and advanced training, the appointment and the dismissal of management cadres;

—Exercising state control over all economic activities.

B. The division of state economic management responsibilities and levels between administration agencies, which should take the following directions:

—Increasing the effectiveness of the unified, centralized leadership provided by the central state through its state economic management functions on the macro scale. The central level must tightly control the key factors and principal balances of the national economy.

—Adjusting the division of responsibilities among the management agencies on the central level to insure that one agency bears the main responsibility for each field of management, each sector and each important product;

using laws, policies and quotas to guide, stimulate, regulate and coordinate economic activities, establish guidelines and corridors of activity for economic sectors and units and deal with matters that lie outside the capability of economic organizations and units to insure the performance of tasks assigned by the state.

—Increasing the authority and responsibility and vigorously tapping the initiative and creativity of the various levels of local administration in fulfilling the state economic management function within the territory; closely tying the economy within the locality to the economy of each region nationwide and eliminating the division by level and administrative boundary. The assignment of responsibility for managing basic economic units must be based on socio-economic returns and create favorable conditions for units to develop their production and business.

—Revising state budget responsibilities to insure balance between means and tasks and combine the interests of the locality with the interests of the entire country.

—Continuing to conduct research to fundamentally resolve the problems concerning the central economy and the local economy, management by sector and territory, the building of the district and the specifics involved in and the form of management of economic zones.

C. Shifting to management mainly by economic measures:

This is a basic element in the restructuring of state economic management. The most important requirements here are:

—Making socio-economic returns the standard;

—The contents and methods of national economic planning must be restructured in a fundamental way and a shift must be made from assigning legally binding norms in primarily allotment-delivery relations to the use of mainly economic policies and levers to insure the scientific and balanced nature of plans.

—Planning must be used as the central tool and closely combined with distribution-circulation policies in order to bring about a well coordinated and gradual shift to business accounting and a state economic management mechanism that is a unified entity. Shifting to management primarily by economic measures that are closely tied to struggling to balance the budget and achieve monetary stability is the overriding and most complex economic-social-political problem the country faces today. We must endeavor to make this complete shift within a number of years.

D. Increasing the use of the tool that is the socialist system of law in economic management:

Within the new management mechanism, the system of law plays a very important role in protecting the interests of each person and each economic unit. The old system of law must be revised or rewritten to suit the new mechanism. The management of the socio-economic system must be based on the law. Each person, each level and each sector must live and work in accordance with the law. There can be no exceptions. It is necessary to increase the legal force of economic contracts as a principal tool in the formulation and implementation of plans. The authority of economic arbitration agencies must be increased and the quality of their activities must be improved so that they fulfill their function and meet the requirements of their new task.

E. Taking a new approach to cadres and cadre work:

The new economic management mechanism places new requirements upon state management cadres and production-business management cadres and demands that a new approach truly be taken in the cadre work of the party and state. The results achieved in the performance of tasks must be the new measurement and standard of economic management cadres. The evaluation, selection and promotion of cadres must be democratized and made public.

The economic management cadres on the various levels must truly possess business skills. The party and state must retrain cadres and equip them with the skills and knowledge necessary for management based on the new mechanism.

Restructuring economic management is truly a process. Economic management is a very complex matter, one which requires that many relationships which have an impact upon one another be established. We should not harbor the illusion that a complete management mechanism can be established immediately. The experience in the fraternal socialist countries has been the same. There, many years of testing in practice have been needed to gradually establish a new mechanism. Of greatest importance is the need to be highly determined to carry out restructuring in all sectors and levels, throughout the party and among all the people.

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Reforming the National Education System—an Objective Necessity of Our Times

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[Article by Dang Quoc Bao, director of the Science and Education Department of the Party Central Committee]

[Text] The scientific-technological revolution, the changes in the structure of modern industry and the rate of economic development together with the rapid

advances made in the social field have laid the groundwork for a restructuring in the direction of modernization and thus meet the new demands of our times. In this trend, the human factor, especially "gray matter," has truly become the key issue, become the prerequisite to each solution offered. This logic gives rise to a need to thoroughly reform the national system of education in the developing countries and to do so quickly in a direction that is both modern and national. The race between the socio-political systems starts at the ground floor of education in line with the trend toward democratization.

The disappointing state of our country's economy and education system in the face of the changes of our times forces us to rethink how we prepare the young generation to assume the tasks that will be assigned to them, namely, overcoming the stagnation in development in the socio-economic field, the cultural-scientific field, the technical-industrial field, the education-human affairs field...and bringing our country abreast of the times so that our nation marches steadily into the 21st century, the century of fundamental changes in science, production technology, management standards, social life, etc. At this point in time, an education revolution in our country has become an objective necessity, a factor of socio-economic development and the most important part of our human strategy.

Education strategy is reflected in the goal of training the young generation to be production workers who build socialism and defend the socialist fatherland. This is the special "purchase order" received by the education system from society. Here, education is the industrial process of carrying out the reproduction and expanded reproduction of the production worker. From society's perspective and in the words of Marx, this person is the "complete production worker." Each individual is a component production worker. Of course, component workers are what make up the "complete production worker." However, in education, these must be considered two different concepts formed in accordance with different laws and depending upon the mode of production. But regardless of the mode, material strength is always the measurement of intellectual capacity. The hand plow and the mechanical plow perform the same function but embody two intellectual capacities that differ from the standpoint of the principles applied. Therefore, the modern production worker must possess the intellectual capacity of the age of large-scale industry. From now on, every school, be it a general school or a vocational middle school, must have the task of producing a new capacity for thinking and new practical skills among the young generation and bringing to each individual a new quality as a product of education.

From its own perspective, the education system has two characteristics that must be given attention when filling society's "purchase order." First, the socialist education system belongs to all the people, that is, to 100 percent of the members of the social community, not to a minority,

nor does it serve only the interests of one socio-economic segment. Our complete production worker includes all the component production workers of 100 percent of the population. Under modern historical conditions, they must be trained through various forms of school education, each of which has a special function: general school education, which lays the common cultural foundation; vocational education, which creates a reserve of technical labor and industrial potentials, on the basis of which the requirements and specifics of labor are changed to be compatible with the structure of the socio-economic system; and college education, which is the force behind socio-economic development, is a factor accelerating the scientific-technological revolution, is the factor which determines the quality of all production activities and the activities in the other fields of the national economy, including general school education and vocational education. Secondly, the new education system must insure that its "production contract" is correctly fulfilled. This it must do in a way that is guaranteed to be a success and reflects the industrial style. This requirement necessitates that we have an education industry, that is, a process of practical training organized in a manner consistent with theoretical requirements. In real time terms, the education industry standard is the life and vitality of the entity that is the subject matter-methods-organizational structure of the entire education system as viewed from the perspective of the whole as well as each unit of time and from the perspective of the entire life of a person as well as each specific stage of development.

The subject matter of education is designed in accordance with the specifics of production (material and spiritual) in modern society. This subject matter determines the make-up of the character of each person as a component production worker.

The education reform campaign must make fundamental changes to and thoroughly modernize the subject matter of education, the central aspect of which is revolutionizing and modernizing the character of each individual and the entire young generation in order to mold new strata of production workers who are prepared in every way for the industrialization of the country.

Today, the education we provide in communism (socialism) must eliminate the political apathy that exists among a rather large number of youths and teenagers and cultivate within the young generation the desire to move ahead and the virtues of dependability and loyalty under all circumstances in which they live. The school must not consider the teaching of communism (socialism) to be nothing more than a subject of study with abstract and rigid dogma that are divorced from real life. The teaching of communism (socialism) must embrace each field of educational activity within the school and permeate the everyday life of the individual.

The key to modernizing the subject matter of education is for the school to equip the student with a system of new theoretical views, a system of scientific categories

and concepts that reflect the progressive achievements of modern production and the highest cultural standards of our times. At the same time, the school must create every possible condition for the student to gradually grasp new tools and means, including information science, computers and so forth. The subject matter of education is the "material" backbone of dynamic and creative persons who are the products of the socialist system of education. At the very least, the following several indices of development must be achieved: first, a dynamic person must be the embodiment of the typical characteristics of Vietnamese youth in the age of the adoption of new thinking, the adoption of a new style and the adoption of the new mode of social intercourse of the socialist way of life. Secondly, a dynamic person must possess the ability to flexibly adapt to the rapid rate of development of society, especially of modern production. Thirdly, a dynamic person must be a responsible person in his occupation and in each socio-political activity. On the social plane, the dynamic persons trained by the new system of education must come together to form a corps of workers (the complete production worker) that is balanced from the standpoint of its structure, is coordinated in terms of sectors and trades and consists of a large contingent of workers and personnel who are highly skilled in constructing and carrying out industrial production; a contingent of specialists who are fully capable of researching and designing technology and industrial processes; a contingent of scholars in basic and applied research in the natural, social and technical sciences; and a contingent of management cadres skilled in each sector and level, from the national level all the way down to the basic level. Of course, we cannot do without activists in the field of art.

The national education system also has the tasks of augmenting and increasing our cultural-scientific and our technical-industrial potentials, increasing the people's knowledge and developing the thinking of the various strata of the working people. Even those strata of persons who have already been trained within the education system and are now working in different occupations must be given continuous training to raise their level of education and occupational standards to be consistent with the circumstances of the scientific-technological revolution, which is steadily reducing the length of technological cycles and industrial cycles as well as management cycles. In summary, education must accompany each person through his or her life.

Thus, in terms of organization, it is necessary to create a national education system whose structure is sufficiently diverse from the standpoint of the types of training offered and sufficiently developed from the standpoint of how these types of training are combined, a system which closely combines formal education with informal education, education in the school with education outside the school, elementary training with advanced training and long-term training with short-term training to create a national education system that is new in principle, a system of constant education. The thinking of a

"flexible" education system must be expressed in various forms of training, in categorizing students by diverse training objectives, combining many training objectives within one school, increasing the number of elective curricula and subjects, introducing training by partial objective, expanding the "options" in training plans, etc. In summary, we must do away with the current self-contained structure. On the national scope, education must establish close ties with production, with scientific agencies. The "school- basic production unit" alliance will make both sides responsible for the quality of training and the quality of production. Part of the education process will become part of the production process with technical-industrial cadres being responsible for participating in training at schools and education-pedagogy cadres having the task of training technical-industrial cadres and management cadres. Today, education must be part of an international alliance. This alliance will result in the traditional education system acquiring revolutionary characteristics of our times, modernizing itself and, as a result, modernizing the nation.

The functioning of the structure of education is closely tied to its management. Once the structure of education has changed, the management of the education system must also be thoroughly restructured. One of the basic tasks in management is to formulate the strategy for the development of education, set priorities and establish the mechanism for providing budget funding and material-technical bases for the training plan. Management must develop the dynamism and independence of basic units and make it possible for them to display greater initiative. Management must codify the ties between the school and production, the school and scientific agencies, refine the policies on productive labor within the school, etc. One other important task in the management of education is to set standards for each type cadre throughout the system and, on this basis, reassign the personnel within the fields of management, elementary training, advanced training, scientific research, production, business, etc. Importance must also be attached to inspecting education, especially to inspections in specialized fields.

The structure of education is a passive product of the goals of education. The matter of decisive significance lies in the mode, in the process by which the structure of education develops, forms goals and moves. Assessing the economic ages, Marx said that they differ "not in what they produce, but in how they produce." (Footnote 1) (K. Marx: "Das Kapital," Su That Publishing House, Hanoi, 1973, Book 1, Volume 1, p 338) A method is the practical work involved in the achievement of a goal. A goal is the combination of the results realized in each stage of this process. Together with establishing goals and changing the structure of education, it is essential that we carry out a revolution in training methods. The new methods must create unity between different, even opposing, aspects, such as between collective education and the development of each person's individuality, between theoretical thinking and practical skills and

between the training process and the self-training process. They must emphasize the prominence of the student while still appropriately respecting the guidance provided by the teacher. On each level of study, all the requirements regarding developing the student's interest in learning, stimulating scientific inquiry and encouraging the student to take part in research activities and the development of inventions, to participate in production with workers and farmers, to join the revolutionary movements of the masses must be established as an industry standard. The new method of educational reform is the education industry. It is strictly governed by the element of time. Each practical action and every kind of thinking—economic thinking, political thinking, scientific thinking and so forth—must occur on a unidirectional time axis. Some jobs can only be correctly performed at an established point in time. As it progresses in one direction through time, the education industry standard leads to each practical step in the process of educating the complete production worker as well as the component production worker. Therefore, it is necessary to focus, to the highest degree possible, the intelligence of the entire country on designing and building a model of the education industry standard in experimental form (each part and the whole) on the central level. Because, experimentation is nothing more than a practical form of theory, and theory must be thorough before it can become practical actions (experimentation). Therefore, many different degrees of experimentation must be conducted, beginning with exploration and discovery and lasting until the reliability of the standard has been fully established. To be completely certain, this experimentation must be conducted again under different circumstances (for example, on the local level) and at different times (with necessary adjustments) until this standard has been tested, at which time it can be widely applied in the practice of educational reform, provided that it is safe for 100 percent of the population. By means of the education industry standard, we can establish unity between research in the science of education and the guidance of practical actions, on the one hand, and the elementary and advanced training of teachers and education specialists, on the other. By means of this standard, we can establish new ties between the student and the teacher, between the school and the basic production units of society.

The resolution of the Political Bureau of the Fourth Party Central Committee on educational reform is being implemented. We have recorded a number of achievements. However, numerous problems have also arisen that must be seriously examined. For this reason, the resolution of the Sixth Party Congress called for "a review of the experience gained in educational reform so that we can adjust and improve the quality of this reform."

The shortcomings in the reform of education over the past 7 years have not only been the direct consequence of practical actions, but also have deeper underlying causes in the science of education and the preparations made

during the 20 preceding years. From this, we can draw the following conclusion: only by daring to change the way we think, the way we work and daring to take a new direction can we hope to bring education beyond the frustration, stagnation and instability of today.

Following 7 years of educational reform, we clearly see a need to establish a truly scientific and thoroughly revolutionary system of views on education, a need to map out intermediary steps and a time schedule for specific programs of action that can be implemented in each stage of development so that the entire country achieves the basic goals of educational reform by the mid-1990's. Then, we will embark on a more comprehensive and thorough reform. Right now, we must promptly shift the focus of the school and create the premises and conditions that are needed for the upcoming reform and needed to gradually resolve such pressing problems as wiping out illiteracy, popularizing level I education, reforming the training system, accelerating scientific research and productive labor within the school, improving the material-technical conditions in the elementary and advanced training of teachers and education management cadres...

In the immediate future, it is necessary to stabilize the education situation in a host of specific areas. For example, we must improve the ethical-political-ideological work performed for students; expand democratic activities within the school; accelerate the development of the party within the school; and actively respond to the "purify and increase the fighting strength of the party organization and the state apparatus and make social relations wholesome" campaign. At the same time, the various education sectors must bring about changes in productive labor in the direction of supporting the three key economic programs of the state, closely tie scientific research to the economic contracts of basic units, carry out the reform of the evaluation and testing of students, etc.

Beginning in the 1987-1988 school year, we must take those steps that need to be taken immediately, such as improving the living conditions of teachers and boarding students and solving the problem of textbooks for general school students, the problem of technical equipment for colleges, the problem of investments in education... If these problems are not resolved well, they will lead to the danger of changing the nature of the education system and adversely affecting the education movement.

To prepare the most basic conditions for the reform of education, we must focus our efforts on the following jobs:

—Rapidly carrying out the reform of normal school education and combining it with the reform of everything involved in the advanced training of existing teachers and education management cadres with a view toward preparing a corps of cadres capable of meeting the new requirements of educational reform. While we

place education at the center of socio-economic issues and consider the human factor to be the decisive factor, we must consider the educator to be a direct production worker who, through his labor, produces a priceless product, the new production worker. This is the ideological view of foremost importance guiding the reform of education in the years ahead.

—Conducting general experiments in education and establishing the model of the reformed school on the basis of researching the essential trends of education and forecasting the development of education at home and in the world. Experiments in education are part of the scientific-technical factor in our country's revolution. Most importantly, they bring to us the latest achievements of the world and the progressive experiences gained in practical activities so that we can design and build a model on the central level. Then, these achievements are introduced on the basic level, in the everyday life of the school. All the theoretical views that guide us, all our strategic and tactical objectives, our practical actions and so forth must be researched, must be formulated and developed into models for each level, from the central to the basic levels, so that they can ultimately be widely applied nationwide.

When it belongs to 100 percent of the population, the vitality of the socialist education system is the vitality of the nation. When we look at our children, at our youths and teenagers, we see the nation. The nation will have, and surely must have, the products of the seeds sown and cultivated by education in the childhood of each person's life. But we should only depend upon those things which we ourselves create. It has come time to express the attitude of abandoning the old way of thinking, the old way of providing education once and for all and consider educational reform to be our strategy. If, at this point in time, we do not embark on reform, our system of education will not have an opportunity to restructure itself and, consequently, will be unable to meet the tremendous requirements of socio-economic strategy.

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Public Health Sector Faces New Requirements

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[Article by Dang Hoi Xuan, PhD in Medical Science, and Vu Kien, high-ranking specialist of the Ministry of Public Health]

[Text] The Sixth Congress of the Party decided to truly concentrate our manpower and resources on carrying out the three major economic programs in grain, food products and consumer and export goods. The implementation of these three major economic programs in the different areas of the country is raising new requirements concerning caring for the health of the people, particularly in the situation we face today, a time when the health of our people is declining, the environment is

polluted, the changes occurring in epidemics are complex and shortcomings and difficulties in public health work during the past several years have posed obstacles to production.

The key rice growing regions, such as the Mekong River Delta and the Red River Delta, which produce the country's largest output of grain and food products and also produce industrial crops of high value, such as coconuts, beans, jute, rushes and so forth, are also areas in which the environment is polluted and epidemics pose a constant threat. During the 5th-month, 10th-month and winter seasons, epidemics of gastro-enteritis, hemorrhagic fever, conjunctivitis and influenza always break out in these regions, slowing the work of plowing, transplanting and harvesting throughout the village, throughout the district and sometimes even throughout the province. The prolonged influence of these epidemics has seriously harmed the health of children and the ability of the people to work. Population planning and relocating labor for health reasons are pressing problems in rural areas where the population density is high. The increasing use of chemicals and machines in agriculture is raising new requirements from the standpoint of preventive medicine and medical treatment. Long-standing and irrational habits with regard to the meals of the people and the way children are raised in our country's rural areas are also problems that need to be solved.

The rural public health network has always been the strength of our country's public health sector. During the past several years, due to a very irrational remuneration policy which we have been slow to revise (village physicians are not paid enough in 1 month to buy 2 kilograms of rice), this network has declined at many places and is unable to meet the public health needs of the people.

The Central Highlands and the mountainous areas in the northern and western regions of our country hold many large economic and export potentials. If environmental, disease and health problems are not resolved well, it will be impossible to stabilize and develop production. The expansion of state farms, corporations, enterprises and new economic zones raising and processing tea, coffee, rubber, pepper and valuable pharmaceutical plants are attracting more laborers and other people from the lowlands with each passing day. In these mountainous areas, malaria, plague and dysentery, the incidence of which had declined rapidly in previous years, have recently broken out in many epidemics, markedly affecting the reorganization of production and life. In Nghe Tinh Province in 1983 and the Central Highlands and eastern Nam Bo in 1986, many children, elderly persons, pregnant women and laborers contracted malaria. The mortality rate was quite high. The public health network in these areas has encountered very many difficulties. At some places, it has virtually been paralyzed by a lack of appropriate funding. Sick persons have not been promptly treated and saved from death. Medicines have arrived at basic units late. Funding has been low. The

distance patients must travel is long. Epidemics have broken out without being detected by anyone. The spraying of pesticide to kill mosquitoes has not been done well at many places. The eating and living quarters of the people, particularly of the persons who recently arrived in these areas, are not well organized. Many families have built houses on the edge of the forest but have not cleared away the underbrush and do not have enough mosquito nets for their beds.

In the municipalities and industrial zones, where mainly consumer and export goods are produced, the environmental, health and disease situations also pose pressing problems that must be solved. Due to the high population density and the need to rapidly expand production, the improper treatment of waste water, sewage, garbage, dust, toxic gases and steam and the failure to control noise have led to a steady rise in epidemics, occupational illnesses and social diseases. In those areas in which the development of petroleum and natural gas is under way and at large worksites where many heavy and modern machines are in use, many new requirements are being faced with regard to preventing and combating occupational illnesses, providing emergency care and medical treatment for workers injured in accidents on the job and providing the nutrition needed to replenish the energies expended in labor. Industry, small industry and the handicraft trades have not joined with the public health sector to appropriately care for the health of workers and handicraftsmen. An investigation conducted at a number of basic units shows that the health of workers is declining, the number of days worked by them is low and the length of their job career is being shortened. Appropriate attention has not been given to building and utilizing the corps of public health cadres and personnel in industrial production zones.

To rapidly overcome the situation described above and with the aim of doing a better job of caring for and protecting the health of the people and supporting the major economic programs of the party, the public health sector must solve the following major problems:

1. Building and strengthening the public health network on the basic level so that it is able to care for the health of the people everyday at the places where they live and work.

The basic public health station, the organization that has direct contact with the people, plays a very important role in preventive medicine, in combining modern medical science with traditional medical science and in implementing the guideline "the state and the people working together." This is the place that constantly educates and instructs the people in how to maintain their health and must provide them with initial health care through appropriate and inexpensive methods and techniques. It is the place that protects and cleans the environment, exterminates disease-carrying pests, administers vaccinations, prevents and controls epidemics, improves meals, plans families and protects mothers

and children. At the same time, it is also the place that detects and promptly treats illnesses by means of medicinal herbs and non-drug methods, such as acupuncture, acupressure, massage and nutrition. Emergency care in difficult cases and the prompt transfer of these patients to the upper line in the public health system are also provided by the basic public health organization.

To perform these tasks, public health stations must be built and strengthened in every respect. Most importantly, they must have an adequate number of physicians, midwives, traditional medical cadres and pharmacists at the station and a grassroots network consisting of the medical aid stations in population centers and production units. They must receive the assistance of Red Cross members and the cooperation of the various sectors and mass organizations. The experience of Ha Nam Ninh, Tien Giang, Cuu Long, Ho Chi Minh City and many precincts and districts that are progressive from the standpoint of public health has shown that to accomplish the above, special attention must be given to providing elementary and supplementary professional training to and looking after the living conditions of public health cadres and personnel in order to help them to become fully qualified and acquire good work methods, thereby allowing them to serve with peace of mind. At the same time, it is necessary to provide a supply of the most important public health instruments and drugs for the service work of the station and public health personnel who work directly with the people.

2. Actively mobilizing the masses and the various sectors to effectively participate in preventing and controlling epidemics, especially malaria in the mountains and occupational diseases in the industrial zones.

The mass movements to build sanitation projects, organize a hygienic way of life at basic production units, along streets and alleys and in hamlets, carry out vaccination programs, combat infectious diseases, social diseases and so forth must be expanded and their quality must be improved, with importance attached to key rice growing areas and the large municipalities.

In the mountains, preventing and controlling malaria, dysentery, plague and goiter truly support production. Controlling malaria has become the major concern of all levels and sectors in the campaign to build new economic zones, bring about the settlement of nomads and develop the production of industrial crops of high export value in the Central Highlands, eastern Nam Bo and other mountainous areas. It is necessary to rapidly strengthen the public health network in the mountains and build district public health organizations that are fully capable of guiding the effort to bring malaria under control, organizations which include village clusters staffed with technicians and equipped with microscopes to serve the village public health network and state farms. Public health stations must send cadres to mountain villages and production units to observe the situation there, take blood samples from malaria victims,

quickly detect the malaria parasite, provide treatment in exact accordance with the prescribed regimen and not allow an epidemic to develop. Following the malaria epidemic that killed hundreds of persons in 1983, Tung Dung District in Nghe Tinh Province strengthened the public health network in the mountain villages of the district. As a result, it rapidly stabilized production and everyday life and has done a good job of detecting and extinguishing epidemics and bringing malaria under control. Continuous propaganda and agitation campaigns must be conducted among the local people and persons new to the locality so that they truly consider combating malaria to be of foremost importance in maintaining production, so that they consciously eat and live in a sanitary way, clear the brush around their houses, kill mosquitoes, use mosquito nets when they sleep, protect themselves against mosquito bites and take anti-malaria medicine. The public health sector must urgently and fully meet the needs of districts and, in particular, basic units for cadres, chemicals and medicine.

In the municipalities and industrial zones, we must also begin at basic units to provide good health care to workers and handicraftsmen. Positive steps must be taken to improve the work environment, to prevent and control occupational illnesses, such as black lung disease, lead poisoning, diseases of the eye, ear, nose and throat and the back ailments and nervous disorders commonly found among workers in the industrial zones. The public health sector, the other sectors and the localities must coordinate with one another to insure that labor sanitation and safety standards are enforced at new construction sites. The policies on lunches and third shift meals must be implemented and nutritional food must be provided to workers. The labor hygiene institutes and stations must be strengthened as must the training of cadres who specialize in labor hygiene and the diseases associated with new industries, such as the petroleum and natural gas sector. We must effectively guide scientific research and the initial health care program at basic industrial units.

Among the various public health programs, appropriate attention must be given to the program to improve meals, expand the V.A.C.[truck farming, pisciculture and animal husbandry] model and process subsidiary food crops and food products.

3. Promoting population planning and the care of mothers and children.

Population planning—a major task of social policy—is a matter that cannot be given light attention in the implementation of the three economic programs aimed at helping to increase per capita national income and improve the quality of life.

Population planning and caring for mothers and children are two aspects of the same issue. Only by implementing family planning can we establish the conditions needed

to care for mothers and children. Conversely, only by caring for mothers and children well can families feel secure enough to practice planned parenthood. This is also a matter of liberating women, and liberating labor.

The various party committee echelons and organizations of the party at each basic production unit have the responsibility of directly leading population planning in a manner closely tied to their leadership of the economy. This is an arduous and complex struggle, one which requires that we delve deeply into the realities of life, into social psychology and adopt a specific plan and strict measures so that we can achieve the target of reducing the rate of population growth from the present level of 2 percent to 1.7 percent in 1990.

It is necessary to lead the mass organizations and the education, cultural and information sectors in further intensifying their work of educating the masses. A policy of fair rewards and strict penalties must also be enacted. Every cadre and party member must truly set a good example and personally encourage the masses to practice family planning.

4. Improving the quality of medical examinations and treatment and providing the necessary drugs are also an important requirement in liberating labor. From basic units to the upper lines of the public health network, many difficulties are being encountered in this area of work that must be overcome.

We cannot allow the funding of medical treatment facilities to only meet less than one-half of the health care needs of patients or allow these facilities to degrade as they are today. The various economic sectors and all basic production and business units have the responsibility of helping to solve the problem of funding for the care of patients to insure their rapid recovery and quickly return them to their production job. Our view in increasing the funding of hospitals must be comprehensive, must take into full consideration the rising prices of products, drugs, materials and equipment, including the prices of electricity and water.

More importance must be attached to providing advanced training to hospital cadres and personnel in their special field, in their profession and especially in the spirit of responsibility and the attitude they should bring to their work. Together with praising and encouraging examples of good persons and good work, we must effectively look after the living conditions of cadres and personnel. Depending upon the circumstances at each place, the conditions must be created to raise their income and also to uncover and publicly criticize authoritarianism, favoritism, negligence, negative phenomena, embezzlement and bribery occurring at medical treatment facilities.

While accelerating the building of the Vietnam pharmaceutical sector, it is necessary to establish coordination between the central and local levels, between the public

health and other sectors so that we can establish over the next several years additional domestic sources of drugs, sources of drugs through exports and imports and sources of drugs elsewhere and provide a full supply of primary drugs to the people. We must continue to promote the movement to raise and use medicinal herbs and apply non-drug methods of treatment. We must expand the drug distribution network to the basic level and combat each negative phenomenon in the production and distribution of drugs. The public health sector must closely guide the use of drugs to insure that they are used in a reasonable and safe manner.

5. Adopting a new way of thinking and working, adopting a new approach to organizational and cadre work.

The view of the party concerning the unity between economic policy and social policy demands that we abandon the thinking that the economy is separate from public health, that we should only concern ourselves with production and need give only light attention to health. This thinking ignores a simple fact: without good health, no one can produce well. At many leadership agencies and basic economic units, the view that the economy is separate from public health has adversely affected the health of workers and caused economic losses. The leadership of and investments in public health work, which includes the pharmaceutical sector, must be appropriately increased and strengthened. An increasingly solid and strong public health sector will be able to more effectively support the implementation of the party's three major economic programs.

Within the public health sector, a struggle must be waged against the thinking of being a specialist and nothing but a specialist, the thinking that public health is separate from the economy and the habit of not truly becoming involved in supporting production. Many public health units and cadres do not bring an economic perspective to public health work. They are not concerned with the efficiency of their work, are lax in management and frequently cause serious waste. The public health cadre must cultivate within himself the new habit of keeping in close touch with the various sectors of the economy and with basic production units. Only in this way is it possible to acquire favorable conditions for developing this work, building material-technical bases and caring for the living conditions of the sector's cadres. We must restructure the management mechanism and use labor, material, finances and international aid in a way that is well planned and economical, complies with policies and principles and yields high returns. Practicing economic accounting in public health work must be established as a requirement of the entire sector, of each basic facility and each public health cadre and worker.

We must thoroughly implement the views on practicing preventive medicine, combining modern medical science with traditional medical science and implementing the guideline "the state and the people working together," launch mass movements and mobilize the various

sectors in order to perform public health work well and carry out the two central tasks of the public health system: providing good initial health care and improving all aspects of public health work and the support of production and everyday life. At present, our hands are still tied by many backward views and ideas and long-standing, incorrect habits which place heavy emphasis upon medical treatment but give light attention to traditional medical science. The struggle to correct these mistakes is a steadfast and arduous struggle to adopt new thinking, improve the activities conducted and adopt a new approach to organizational and cadre work, to training and scientific research and build the socialist public health sector in our country.

As regards organization and cadres, having gained a thorough understanding of the party's views, the public health sector is embarking on a review of its experience and developing organizational models for the sector, beginning with a model of the precinct and district public health organization and a model of the public health organization at basic units. The public health sector must refine its cadre planning in line with the requirement that we take a new approach. It must educate its cadres and struggle for the adoption of new thinking, new views and a new style by them, which must be the standard in evaluating and assigning cadres to the various levels and basic units in order to insure the successful implementation of the resolution of the Sixth Party Congress with regard to caring for, protecting and improving the health of the people.

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The Law and the Economy

42100005e Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 24-28, 52

[Article by Hoang Hao, MA in Law]

[Text] Part I.

The law is born of and determined by the economic base. However, the law also exerts a strong, positive impact upon the economic base and, generally speaking, upon the formation and development of a socio-economic form. Marx documented the role of the law in the process of the destruction of the feudal system and the formation of the capitalist system. After citing many laws promulgated by bourgeois states to stimulate the formation of capitalism, Marx reached the conclusion: "Thus, rural citizens have their property seized by force, are driven off and turned into vagabonds, in addition to which they are beaten, branded with a hot poker and tortured by strange laws so that they conform to a discipline necessary for the system of working for hire." (Footnote 1) (Karl Marx: "Das Kapital," Su That Publishing House, Hanoi, 1975, Book I, Volume 3, p 307)

We should not confuse the essence of the process of advancing from small-scale production to large-scale, socialist production with the process of advancing from small-scale production to large-scale, capitalist production. However, in both these processes, the law plays a role. This demands that the proletariat, when in power, be fully conscious of the role of the law, that it build the law in a conscious and planned manner, that it actively use the law in the processes of transforming the old society and building the new. Socialist production relations do not spontaneously form within the old society. Rather, they come into being as a result of conscious efforts made in accordance with the objective laws of the proletarian dictatorship state. Therefore, the law is an even more important means in creating the new economic base. The state uses the law to exert an impact in the process of transforming the old production relations, establishing the new production relations, developing production forces and rapidly forming the new economic base and the new superstructure as well as in the processes of establishing the new culture and molding the new, socialist man.

Deserving of attention is that the law can only exert a positive and strong impact on the basis of a corresponding economic base. Regardless of how large its role might be, the law cannot go beyond the economic level of society. It reflects the level of economic development and acknowledges the power associated with economic relations. V.I. Lenin wrote: "The law can never be higher than the economic system or the level of cultural development of society determined by the economic system." (Footnote 2) (V.I. Lenin: "Collected Works," Progress Publishers, Moscow, 1976, Volume 33, p 223) On the one hand, the proletarian dictatorship state must consciously use the law as a tool in practical organizational work. On the other hand, the law must be compatible with the level of economic and cultural development in each stage of the revolution. Only in this way can the law play the role of opening the way for and protecting the development of economic relations and avoid subjectively and impetuously "putting into law" social relations that have not yet developed and which lack the conditions needed to be implemented in practice. The realities of past years show that due to simplistic concepts of socialism, we sought to codify in the law each superior aspect of socialism under the economic and social conditions of the initial stage of the period of transition to socialism. This was subjectivism and voluntarism in the law, as a result of which the provisions of the law could not be implemented in practice and lost their force because they were not closely tied to the level of economic and cultural development during each specific period. At the same time, the dialectical relationship between the economy and the law raises the objective requirement that importance be attached to updating the law. Although the law is the norm, the "golden rule," the standard of society, this does not mean that laws do not need to be revised, that they are "immutable." Rather, it demands that we change the law to keep pace with certain changes in economic and social

conditions. Only in this way can the law stimulate economic development and not be an obstacle to economic development. Facts have shown that the current management regulations of our state are "tying the hands" of basic economic units to a significant degree, are preventing them from displaying socialist production and business independence, are retarding the process of restructuring the economic management mechanism.

Our attention must be given to the characteristics of the impact of the law upon economic and social life. The law is also an expression of the lines and policies of the party, in the form of standards that become the will of the state and are binding upon all society. Due to this characteristic, the lines and policies of the party expressed in the law have a direct, simultaneous and unified impact upon all society. Therefore, the law becomes a society-wide organizational tool, an important means in organizing social production and a standard of measurement of labor and a standard in the distribution and consumption of products. At the same time, it is the standard upon which the people can rely to inspect the activities of state agencies and, on this basis, strengthen state discipline and improve social order. The role of the law is especially evident at times when lines and policies and the economic management mechanism change. Therefore, the economic views and the need to restructure the economic management mechanism asserted in the resolutions of the party make it an urgent necessity that we revise certain laws of our state and draft new laws.

Part II.

Although the law is determined by the economic base, it is not determined directly, but through politics, that is, through the lines and policies of the ruling party. These lines and policies are codified by the state in the form of laws: the Constitution, laws, regulations, decrees and so forth. Thus, although the law is the reflection of the lines and policies of the party, it is "state-ized" so that everyone obeys it. Therefore, when changing an economic view, an economic policy or the economic management mechanism, it is essential that the law be changed as well. The practical experience of past years shows that if we do not revise current law, do not augment and build the system of economic law, we cannot bring about the shift from bureaucratic centralism and state subsidies to economic accounting and socialist business in keeping with the spirit of the resolution of the Sixth Party Congress.

Our state operated for many years under the mechanism based on bureaucratic centralism and state subsidies. This mechanism left a very deep imprint in the system of law, including economic law. Despite the many efforts made by us in legislative work in recent years, the current system of law is still marked by many weaknesses and is posing an obstacle to the management of the country, particularly economic management. We lack many laws, especially economic laws and economic management regulations. As a result, there have been

cases of "climbing over fences" and "tearing down fences," but there have also been cases in which there have not been "fences" to "tear down"! The current system of law is fragmented, lacks coordination and is difficult to follow. Many documents are counter-productive and contradictory. Many outmoded policies and regulations have not been changed. A number of new regulations are patched together and even conflict with one another.

When we began the shift to the new economic management mechanism with the resolution of the Sixth Plenum of the Fourth Party Central Committee and, in particular, the resolution of the Eighth Plenum of the Fifth Party Central Committee, our state promulgated a number of new legal documents that were applied alongside old documents, thus creating loopholes in economic management. Therefore, it can be said that the system of management regulations of the state based on the old mechanism remains virtually unchanged.

Thus, the current state of economic law not only poses difficulties to management, but also breeds disregard for the law. We face a large contradiction: when building the new management mechanism in keeping with the spirit of the resolution of the Sixth Party Congress, we still must apply old management regulations. In practice, the old management mechanism is still being upheld by the law. In this transition, it is difficult to avoid loopholes in economic management. It also provides an opportunity for negative phenomena to develop, for fragmentation, convenience and anarchy to spread, thereby further disrupting the economy and social order.

The realities of management in recent years show that current law, particularly the law applied in economic management, is, to a large degree, one of the obstacles to the birth of the new management mechanism. Therefore, it can be said that now, more than ever before, the realities of state management urgently demand that we revise and amend certain laws and establish new laws, most importantly economic laws, with a view toward opening the way for the formation, in real terms, of the new management mechanism. In fact, economic needs demand that the law be fundamentally restructured. If the restructuring of the economic management mechanism is a reform of profound revolutionary significance, then the fundamental and coordinated restructuring of the law cannot simply be a matter of revising a few outmoded documents or regulations but is also an extremely important task. Consequently, it is necessary to repeal laws based on the old management mechanism and quickly establish a new, coordinated system of law aimed at effectively supporting the activities of basic economic units while increasing the effectiveness of the management provided by the state apparatus and the state's control of the entire national economy, thereby making positive contributions to "liberating all existing production capacity, developing each potential of the country and making effective use of international assistance in order to strongly develop production forces in

conjunction with building and strengthening socialist production relations." (Footnote 3) (Proceedings of the Sixth Congress, Su That Publishing House, Hanoi, 1987, p 46)

The new economic thinking demands the adoption of new legal thinking in the following basic areas:

First, the new system of law must meet the requirement of restructuring the economic management mechanism. To accomplish this, the codification of the contents of economic policy—a requirement of the new management mechanism—in the form of laws must create a favorable environment, or a lawful "address," to insure that basic economic units possess all the authority and responsibility required to be independent in production and business in the socialist way and in exact accordance with the laws of the state. Codifying economic policy in this spirit is exceedingly complex and difficult work. However, the realities of management demand that we succeed in this work if we are to lay the legal basis for the new economic management mechanism to function in practice.

Second, our state is allowing many different economic segments to exist and develop during the period of transition to socialism in our country, particularly in the initial stage, with a view toward developing each of their potentials and helping to stimulate the advance of the economy and meet the needs of society. Therefore, it is necessary to establish the legal base for these segments of the economy to function normally, that is, necessary to establish the legal position of each economic segment, of the state-operated economy, the collective economy, the private economy, the self-employed capitalist economy and so forth, and closely tie this work to the work of establishing new management regulations of the state governing each segment of the economy. New management regulations of the state will, on the one hand, give economic units and producers a sense of security and encourage them to invest in the construction of material-technical bases in order to develop production and produce many products for society. On the other hand, new management regulations will provide standards by which state agencies can inspect the activities of these segments of the economy to insure that they are developing in the direction of socialism and to create a diverse and rich system of commodity production.

Third, the shift from "allotment-delivery" relationship and the use of mainly administrative orders to economic accounting, socialist business and the use of mainly economic measures raises the objective requirement that we rapidly amend and establish new economic laws to lay the legal base for organizing, conducting and controlling the process of social reproduction. These should be new regulatory documents concerning plans, accounting, statistics, economic contracts, economic arbitration,

investment law, inspections and so forth. These documents must compel legal entities to operate in accordance with the requirements of the new economic management mechanism.

Fourth, it is necessary to promptly promulgate regulations which clearly define the authority and responsibility of basic economic units and workers with a view toward upholding the right of these units to take the initiative in how they organize production and business and tapping their creativity; clearly define the principles of organization and operation of economic units and production and business federations and the right of ownership of the worker collectives within the various segments of the economy; and protect the interests of the workers at private enterprises.

Fifth, the restructuring of the economic management mechanism demands the restructuring of the organization and operation of state agencies, most importantly economic management agencies, with the aim of creating favorable conditions for basic economic units to take the initiative in organizing production and business while still maintaining unified management by the central state. Therefore, on the basis of clearly distinguishing between the administrative-economic management function and the production-business management function, it is necessary to revise and amend the regulatory documents concerning the authority and responsibility of state agencies, most importantly of the Council of Ministers and economic management agencies, increase the effectiveness of the management of economic activities by state agencies and clearly define in regulations the responsibilities of each agency, particularly the material responsibility in cases in which harm is caused to based economic units and workers.

Of course, the process of restructuring the economic management mechanism is organically tied to liberating people from the old mechanism, to the social policy of the party. Therefore, in this process, it is essential that we revise and promulgate regulatory documents in order to develop the system of socialist democracy, uphold the democratic rights of the citizen and achieve social fairness under present conditions.

The process of restructuring the economic management mechanism demands that we adopt new legal thinking, that we restructure the contents of laws and even the process of making laws so that we can quickly establish a new, coordinated, scientifically based and dynamic system of law with a view toward opening the way for and protecting the formation of the new economic management mechanism. In the process of making laws, we must insure that the authority exercised, the form laws take and the order in which laws are made are correct. The dominant thinking in this process is to democratize the making of laws, widely solicit the opinions of the people, hold thorough discussions within the organs of state power and avoid adopting laws in a "form for

form's sake" manner. We are in the process of restructuring the economic management mechanism. This means that many new economic relations are in the process of forming. They are being tested and are not yet stable. Therefore, it is necessary to select appropriate forms of documents. At present, mainly regulations should be used. When economic relations have stabilized, these can be upgraded to a higher form of document.

Thus, the drafting and adoption of legal documents to support the new economic management mechanism are becoming a pressing and important task. This, however, is not all that needs to be done. The most difficult and decisive task under the current conditions of our country is to apply laws in life, in the everyday activities of the people. Only in this way can we acquire the basic conditions needed to implement the new economic management mechanism. Restructuring the economic management mechanism as well as applying laws to support this mechanism will entail a complex and steadfast struggle between the correct and the incorrect, between the progressive and the backward. It is only through this struggle that we can build stronger order, strengthen the laws of the state and insure that the new management mechanism is applied in practice. This also means that, in the course of guiding and organizing the restructuring of the economic management mechanism, we must truly spread the practice of democracy, build stronger discipline, correctly implement the principle "equality under the law," resolutely combat everything that reflects special rights and privileges in the implementation of the law and purify the corps of cadres. Clearly, rapidly establishing a well coordinated system of law in economic management is an objective requirement. However, no matter how refined it might be, a system of law cannot fully regulate each social relation. Moreover, when economic processes develop, new provisions of the law can become old and outmoded, the "lawful" can become "absurd"! This is a real contradiction, one which demands that authorized agencies routinely conduct inspections so that this contradiction can be promptly resolved. In principle, however, the socialist system of law does not permit anyone to declare one law or another to be outmoded and then violate state law in pursuit of local or personal interests.

The relationship between the law and the economy is clearly evident when economic policies and the economic management mechanism change. At present, we are restructuring economic policy and the economic management mechanism. This process demands a corresponding restructuring of the law, in both content and form, and that the making of laws create a coordinated system of economic law to provide a solid legal base for the formation of the new economic management mechanism and the implementation of new economic policy. As long as this new system of economic law does not exist and is not fulfilling its function, the new economic management mechanism cannot function in practice. As General Secretary Nguyen Van Linh said: "We are

actively implementing the new economic management mechanism and making the basic economic unit the center. However, as long as a law on enterprises has not been established, the operations of enterprises cannot be fully supported from the legal standpoint." (Footnote 4) (Nguyen Van Linh: "Widely and Fully Implementing Socialist Democracy Is the Key in the Adoption of New Political Thinking and New Economic Thinking," TAP CHI CONG SAN SAN, No 7, 1987, p 8)

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A Business Experience Within the Scope of a District: The Nam Can Marine Products Joint Business Corporation

42100005f Hanoi TAP CHI CONG SAN in Vietnamese No 12, Dec 87 pp 29-32

[Article by Huu Hanh]

[Text] The Nam Can Marine Products Joint Business Corporation (established in 1983) is a model of a three-level joint business within a district: the central level, as represented by the Vietnam Marine Products Export-Import Corporation of the Ministry of Marine Products called Seaprodex; the provincial level, as represented by the Minh Hai Provincial Marine Products Service; and the district level, as represented by the Level III Marine Products Corporation and the Nam Can District (now called Ngoc Hien District) Marine Products Committee.

The joint business organization here is one of cooperation based on the principles of voluntary association, equality, mutual benefit, borrowing investment capital together and sharing responsibilities, profits and losses. The Nam Can Marine Products Joint Business Corporation is an independent unit that practices economic accounting. It has its own seal and bank account. It has the status of an individual under the law and is permitted to sign economic contracts with other units to support production and business. It has put into effect the mechanism of "meeting its own needs and financing its own operations" on the basis of a production organization that is integrated from investments in the construction of material-technical base for the cultivation and harvesting of marine products, procurement, storage and processing to exports and imports, thus forming a self-contained, unified entity. Within this entity, exports and imports are used to meet needs in the production and business process, fulfill obligations to the state and contribute to the development of the locality.

The Nam Can Marine Products Joint Business Corporation has the authority to borrow capital, including capital in the form of foreign currency (through Seaprodex and the bank), to invest in the development of production in accordance with the guidelines and plan approved on the basis of closely calculating and guaranteeing economic returns and the repayment of capital and interest on time. The corporation's sources of capital consist of:

A. Capital in the form of foreign currency directly borrowed by the corporation through Seaprodex to build material-technical bases (with the repayment of principle and interest made in the form of export products to the foreign country).

B. Liquid capital in the form of foreign currency, which is provided in advance to import materials, equipment and goods to support production through product delivery contracts with Seaprodex.

C. Liquid capital in the form of Vietnamese currency pooled by the partners to the joint business. The Nam Can Marine Products Joint Business Corporation borrows 50 percent of this capital from the bank. The other 50 percent is pooled by the three partners. The three partners in the Nam Can Marine Products Joint Business Corporation are responsible for borrowing, repaying and pooling the types of capital mentioned above and may take financial initiative to promptly meet production and business requirements.

The Nam Can Marine Products Joint Business Corporation has the authority to distribute and use foreign currency and profits in Vietnamese currency at its initiative.

During the past 3 years, the Nam Can Marine Products Joint Business Corporation has successfully practiced cooperation between the central and local levels, achieved a combined strength from the standpoints of capital, materials, technology and management skills, reversed the decline of the district's marine products sector, ushered in a stage of dynamic operations and achieved high economic returns. In 3 years (1984, 1985 and 1986), the corporation procured 30,599 tons of shrimp (fresh weight equivalent); earned 1,143,000,000 dong in Vietnamese currency and 14,377,357 dollars in foreign currency; earned a net profit of 27 million dong; returned 2,679,816 dollars in foreign currency to the central level; contributed 952,736 dollars to Minh Hai Province and 711,793 dollars to Ngoc Hien District...

In addition, the corporation has also contributed to the village budget about 3 million dong, the equivalent of one-third the value of the projects built, to help the village and the economic and cultural sectors in Nam Can to develop along with it and create jobs for thousands of workers within the district. The standard of living of the worker has been markedly improved. In 3 years (1984, 1985 and 1986), the average primary worker in the fishing industry earned 120,000 dong and produced 560 dollars in foreign currency per year. More than one-half of the residents have attractive homes (built on slabs with tile roofs or sheet metal and cement roofs). Social welfare projects, such as a road system, schools, medical aid stations and stores, have been constructed, thereby making it possible for the people to travel, study and go about their daily lives in comfort.

The rural areas, particularly the fishing villages built during the past few years, have truly changed. Fishermen are enthusiastic and eager to work and produce.

Prior to the 1980's marine products production in Nam Can encountered very many difficulties and seriously declined. Today, 3 years after the establishment of the joint business and with this rich natural resource base and these diligent fishermen, marine products production in Nam Can has been restored and strongly developed.

What experiences can be drawn from these realities?

First, marine products production is highly seasonal in nature (products quickly spoil and are difficult to store). The objects of production are living organisms that move from one place to another (depending upon the season, temperature and food sources). Therefore, the marine products sector is a combined economic-technical sector that demands integration and joint businesses between basic production and business units and the central level, the local level and fishermen in order to mobilize each potential that lies in capital, technology, materials, management skills and production skills with the aim of creating a new balance and working together to organize and develop production.

Second, the Marine Products Joint Business Corporation has the development of production as its foundation. Investments in the construction of material-technical bases are the moving force behind this development. Exports and imports are used by the corporation to meet its own needs in the production and business process. The objectives of this joint business organization are to develop production and insure that high economic returns are achieved in production and business in the following fields: developing fishing operations and the cultivation of marine products; investing in material-technical bases for production services, technical services and everyday services; managing product sources well; and making investments in product quality to increase the value of both exported and domestic marine products. Investments in the development of production have been closely tied to reorganizing production and reorganizing everyday life. A close economic-, social-living conditions integration between fishermen and the state guarantees that the joint business can continue to exist and manage products well.

Third, the establishment of a self-contained and integrated mechanism encompassing all aspects of marine products production (cultivation, fishing, procurement, storage, processing and export-imports) is the first reason for the success of the three-level Marine Products Joint Business within the scope of a district. The joint business was created to establish ties between the various aspects of processing and raw material production areas, between production and science-technology, between production and commerce and between industry and fishing, thereby establishing close integration between

the state and fishermen in production and everyday life within the district and village and forming a complete, integrated production line for the marine products sector. The end results achieved by the Nam Can marine products joint business model are that marine products production has developed strongly and business is profitable. On this basis, the conditions have been acquired to increase the formation of capital in order to constantly expand production and business.

Fourth, organizing the living conditions of fishermen well has closely tied those persons who directly produce raw materials to those who produce the finished products that are exported, that is, has closely tied production to living conditions, the economy to society within a unified entity. When the lives of fishermen are comfortable, when they live in nice houses, when their children have a place to receive an education, a place to receive health care when they are ill, a place to play and enjoy themselves...they are content and feel a close attachment to the work of the joint business. They feel that they are truly a member of the joint business, are the owners of the means of production. They feel that their lives are being looked after, consequently, they consciously and eagerly work for the development of the joint business, which includes their own interests.

Fifth, at present, 95 percent of the products of the fishing industry are produced by the people, consequently, investments in the development of production must be used as the basis for stimulating the socialist transformation of the fishing industry on appropriate, increasingly high levels. This absolutely cannot be done in an impetuous manner or by imposing subjective desires. The fishing production collectives into which fishermen in Nam Can have been organized are essentially only production solidarity teams. However, they are consistent with the current level of development of the people's production forces. The state-operated organization here primarily provides production services and technical guidance to fishermen.

Sixth, there is no need within a district for both a district marine products committee and a level III marine products corporation. Rather, they should be combined in one organization with the apparatus of this corporation being used to strengthen, augment and establish a marine products joint business corporation within the district tasked with production, export-imports and domestic marketing. A district marine products joint business corporation is fully capable of performing the administrative-technical management function and the marine products production-business function within the district. This in no way impedes the leadership provided by the local party committee and people's committee.

The Nam Can Marine Products Joint Business Corporation has been increasingly developing upon its positive aspects and has been confirmed as a good model. However, marine products production here is still non-intensive. Appropriate investments have not been made

in the intensive cultivation of shrimp among the people. Shrimp cultivation is still natural in nature and yields are low, only about 250-300 kilograms per hectare. As regards shrimping and fishing at sea, the majority of the fishermen here "leave at dawn and return in the evening." At places where rear services are provided, fishermen still do not stay at sea for more than 7 days. Consequently, the shrimp and fish catch at sea is still low. Pisciculture (primarily the cultivation of shrimp) must subsidize fishing operations. Procurements and storage still involve many different jobs, such as handling, weighing, collection and shipping-receiving, as a result of which the quantity and quality of shrimp and fish procured declines (the quality of 80 to 90 percent of the shrimp and fish procured declines in transportation from the places of procurement...). Investing in intensive cultivation to raise cultivation yields and the shrimp and fish catch, reorganizing procurements along rational lines and quickly transporting to processing centers will cut expenses, reduce production costs and maintain the quality of the shrimp and fish procured. In the end, the quality of processed products will also be guaranteed. By taking these steps, the Nam Can Marine Products Joint Business Corporation can double its current total income.

The recent development of the marine products sector in Nam Can has given rise to a new contradiction, the origin of which is improper views concerning the use and development of natural resources. In the Nam Can area, there are two types of natural resources of high economic value, the mangrove forests and marine products. The area's mangrove forests are the premise to and the environment for the development of marine products. Conversely, the development of marine products production must create the conditions for restoring and developing the mangrove forests. In recent years, we have focused on reorganizing marine products production but have not given attention to establishing this relationship well. There are still some activities being conducted that are detrimental to the forests. Attracted by the rewards of raising shrimp for export (high economic value and returns), local people, people outside the locality and even state agencies and a number of other economic units have come to Nam Can and indiscriminately cut forests in order to raise shrimp. The organization of production here, consequently, has placed two natural resource factors, the mangrove forests and marine products, in opposition to each other and created a contradiction in which each will destroy the other. The raising of shrimp for exportation has increased but the mangrove forests are being destroyed and are seriously declining. The natural resource structure is in danger of being destroyed. An immediate and long-range solution based on principle is to reorganize and rearrange production within a general "forest-shrimp" or "shrimp-forest" business structure for cooperatives, production collectives, forestry sites, border defense troops and households. This is also the basis for earning income from diverse sources in production and business. The operations of the Nam Can Marine Products Joint Business Corporation must also be directed

toward both fishing and forestry in Nam Can in order for it to survive and develop, to achieve high productivity, quality and economic efficiency on the basis of environmental and ecological balance.

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Round Table Conference on Thinking and the Adoption of New Thinking

The Role Played by the Adoption of New Thinking

42100005g Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 33-35

[Article Dang Xuan Ky, deputy director of the Marx-Lenin Institute]

[Text] In the current adoption of new thinking, we must first adopt new thinking concerning matters regarding the human factor, regarding leaders and managers. Only in this way can we take new approaches in all fields of social life, in which the adoption of new thinking plays the decisive role. Because, we cannot adopt a new style if we do not adopt new thinking concerning what style is and cannot adopt a new approach to organizational and cadre work if our thinking concerning organizational and cadre work remains backward and outmoded. Of course, in this process of change, the above mentioned steps must be taken simultaneously and in conjunction with each other. One must augment and stimulate the other.

We must give special attention to promoting the adoption of new thinking by constantly cultivating a full and deep understanding of this matter and clarifying the specifics and methods involved in the adoption of new thinking. It will require an arduous and complex struggle on the part of each person, beginning with the persons within the leadership and management apparatus of the party and state, of production-business organizations and other social organizations, regardless of their position, to progress from the arguments presented at the Sixth Party Congress to the implementation of these arguments. No one can say that he has fully adopted new thinking. Each person's thinking is more likely to be a blend of the old and the new, differing only in the extent to which each, the old or the new, predominates. There are also some persons whose thinking remains entirely old, whose thinking is not new in any way. Therefore, the leader and manager cannot be the person who only guides and directs the process of adopting new thinking, but is also someone who must adopt new thinking himself.

Adopting new thinking means abandoning old thinking where it is inaccurate or wrong, revising old thinking where it is backward and outmoded and augmenting old thinking where it is incomplete. It must also be recognized that our thinking has always contained correct ideas that must be confirmed. These correct ideas have guided our practical actions and led to certain successes

and achievements. The process of adopting new thinking is the intertwining of these very complex processes of affirming, augmenting, revising and abandoning. This is the dialectical process of continuity, incorporation and negation associated with the movement, development and perpetual advancement of thinking. Determining which of these steps must be taken is a very difficult task. We see more than a few persons who do things that are wrong but think that they are acting correctly, who lack things but think that they possess all that they need, who are backward and outmoded but think that they are advanced and progressive. Therefore, although they talk at great length about adopting new thinking, they cannot. Or, we sometimes see the radical approach of rejecting everything that is old, including things that are correct and reasonable, in order to formulate new thinking without ever understanding that if you start out with nothing, you wind up with nothing. Reasons related to our theory of knowledge can also cause persons to stray far from the correct standards of thinking, and they will stray even farther if they refuse to accept or oppose change on the basis of personal motives.

Each person can only know himself well when he compares himself to what others do in their practical actions. The same applies in the adoption of new thinking. Each person can only learn what is right or wrong about his thinking when he compares it to the thinking of others in the practical actions taken to put thinking into practice. If we were to merely debate one line of thinking versus another, the debate would be endless and completely useless. Practice is the standard of truth. Practice is also the standard for determining what is right or wrong about thinking.

Thus, in accordance with which thinking must we change?

According to Lenin, Marxism is invincible because it is correct. It is correct not because it sets forth dogma, like the Bible, which its disciples must hold in reverence and blindly obey. Rather, it is correct because it discovered the objective laws of the movement and development of mankind and presents a method by which man can learn these objective laws and advance to socialism and communism with the aim of completely and thoroughly liberating society. For this reason, we must successfully cultivate the thinking of Marxism-Leninism—cultivate revolutionary and scientific thinking, dialectical thinking—in order to guide practical actions with a view toward achieving this lofty goal.

This is thinking that is open, not closed, to new ideas, is flexible, not fixed. It is always directing and guiding practical actions and always being tested by practice. At the same time, it is augmented and developed on the basis of the achievements of revolutionary and scientific practice. The revolutionary gains made by our country as well as the other fraternal socialist countries over the years have stemmed from this thinking. And now, as our party and the fraternal parties talk about stagnation and

mistakes in socialist construction, we see that the main cause of this situation was the fact that we strayed far from the thinking of Marxism-Leninism.

Thus, the adoption of new thinking is not a matter of finding thinking that is entirely new, thinking that has never been talked about, has never been considered before. Adopting new thinking means that we must return to the correct thinking of Marxism-Leninism—a thinking that has been very greatly enriched by the achievements of the revolution, of science and production and the achievements in the other areas of social life but from which we have frequently strayed for many years and, as a result, committed shortcomings and mistakes. In socialist construction, we have held to many concepts that are incorrect or incomplete, are very backward and outmoded. If some of the concepts in the Soviet Union are 4 to 5 decades behind the times, we are certainly even more backward. We have practiced ways of thinking that are wrong, such as impetuous subjectivism and voluntarism, conservative and stagnant thinking, childish thinking that has sometimes been leftist, sometimes rightist, sometimes hesitant and vacillating, etc. Our method of thinking has often been idealist and metaphysical, simplistic, one-sided or hardened and rigid and has not viewed things from the perspective of their movement and development, of universal relationships, of specific historical conditions, etc. Clearly, all three aspects of our old way of thinking—concepts, ideology and method—have caused very much harm, have forced us to pay a price that is too high and have caused very serious consequences that will take much time and effort to overcome. We must especially concern ourselves with adopting new economic thinking because this is the field in which our problems are the most critical. However, this does not at all mean that it is less necessary to adopt new thinking in the other fields of social activity.

When we embarked on the period of transition to socialism, why did we not stand solidly at the pinnacle of Marxist-Leninist thinking, as we did in the August Revolution and in the two wars of resistance against France and the United States, from which we won great victories of historical, epochal significance? Did we forget Lenin's teaching that socialist construction in an economically backward country is sure to be much more difficult, much slower and demands much broader knowledge? Did we become subjective, ignore theory and become too lazy to study and learn in order to acquire the capabilities and strength needed to meet the demands of the new stage of the revolution? Were we intoxicated and blinded by our victories, thinking that if we were able to win victory over the U.S. imperialists, anything could be achieved quickly and easily? The current process of adopting new thinking demands that we eliminate the causes of the stagnation and backwardness of thinking in order to make the thinking that guides our practical actions truly the thinking of Marxism-Leninism so that we win worthy victories in the cause of the socialist revolution and socialist construction in our country.

Increasing Our Scientific Knowledge—An Important Prerequisite to the Adoption of New Thinking

4210005h Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 35-38

[Article by Nguyen Duy Quy, Doctor of Philosophy]

[Text] Scientific knowledge is the product of thinking. Through knowledge, the process of thinking can be restructured. Conversely, scientific knowledge is a potential, a capability of new thinking.

One of the important features of thinking is that it creates a dual product: it solves problems raised by practice and creates new knowledge. Scientific knowledge and thinking are closely interrelated. Scientific knowledge is the base, the prerequisite for the formation of new thinking. In other words, its purpose is to enable new thinking to be adopted. Conversely, new thinking stimulates inquiry and creativity and brings about the development of new scientific knowledge.

Actually, thinking is always moving because it reflects the movement of objective reality. In this sense, adopting new thinking is a constant task in the historical process of man becoming more aware.

However, if this were all that is to this issue, what need is there to view this perennial problem as a pressing problem? What need is there to appeal for the adoption of new thinking if the law of thinking is that new thinking is always being adopted?

The world moves by orderly steps and by leaps and bounds. Some stages in social history are marked by winding development and stagnation while other periods are characterized by sudden revolutionary changes. Thinking, therefore, also develops in a uniform and monotonous manner at some times and like a storm at other times. In this sense, the quality of thinking is determined by each specific stage of history. Whether thinking develops in an orderly process or through sudden revolutionary change depends upon the process of the accumulation of knowledge, the process of the growth of man's knowledge of constantly changing things and phenomena.

More than 10 centuries of knowledge had to be accumulated before the theory of Copernicus was born and replaced the theory of Ptolemy. The knowledge that the sun, not the earth, is the center of the universe marked a leap forward in man's thinking concerning the universe and ushered in a great revolution in recognizing the objective world on the basis of accurate scientific data that had been accumulated.

Without the results of research in mathematics, mechanics and astronomy, the leap forward in the understanding of the universe bravely made by Copernicus would have been impossible.

In the natural sciences, similar changes in thinking have occurred in all fields, thus giving man an increasingly deep understanding of the objective world. Scientific advances have superseded old systems of knowledge and old concepts and resulted in the formation of entirely new categories and concepts or new and deeper aspects of known concepts and laws. In particular, the worldwide scientific-technological revolution taking place today at an unprecedented rate has overturned many previously existing concepts. The achievements of the modern scientific-technological revolution have not only helped to strongly stimulate the development of production and raise socio-economic returns, but also lay the groundwork for the process of achieving new awareness, and lay the basis of new thinking.

In the social sciences, a situation similar to the one found in the social sciences, but much more complex, has also been occurring. In the history of the development of society, man has recorded many achievements in terms of increasing his social awareness and there have been many revolutions in awareness. However, it must be acknowledged that the greatest ideological revolution in the entire history of society was the birth of Marxism-Leninism, the quintessence of the intellect of mankind and a complete ideology, theoretical base and scientific methodology for recognizing and transforming the world.

The birth of Marxism-Leninism was a great leap forward in man's thinking, a leap based on crystallizing the achievements and knowledge of social and natural sciences.

The realities of the revolution have proved the doctrine of Marx-Lenin to be correct. On the other hand, however, it has been discovered in recent years that theory has lagged behind the movement and development of socialism. What must be especially stressed here is that the backwardness and stagnation of theory are not unique to our country, but are a problem facing the entire socialist community as well.

This proves that there are some aspects of the theory on socialism that are no longer appropriate. The realities of life demand that we be creative, that we change. The 27th Congress of the CPSU pointed out: "The specific political and economic situation in which we are living and the special stage of the historical process now being experienced by Soviet society and the entire world demand that the party, that each communist possess the spirit of creativity and change and look for ways to go beyond the framework of familiar but outmoded concepts." (Footnote 1) (M.S. Gorbachev: "The Political Report of the CPSU Central Committee at the 27th Congress of the Party," Su That Publishing House, Hanoi and Novosti News Agency Publishing House, Moscow, 1986, p 9)

To correct the stagnation and backwardness in theoretical awareness, the corps of cadres and party members, most importantly leadership cadres and management cadres, must, now more than ever before, attach importance to raising their scientific standard and increasing their knowledge in both breadth and depth, must put themselves in touch with and grasp the new knowledge, the new achievements of the scientific-technological revolution.

Scientific knowledge has truly become the base, the foundation needed for the current campaign to adopt new thinking. Because, in our opinion, the adoption of new thinking is essentially aimed at causing the subject's awareness to correctly reflect objective reality, which is constantly moving, and transforming objective reality for the sake of the genuine interests of man. Examined solely from the perspective of the social field, the adoption of new thinking is aimed at causing our awareness to correctly reflect objective social reality, which is always moving and developing, with a view toward correcting the stagnation and backwardness of theory compared to the movement and development of socialist society.

Clearly, in order for our awareness to correctly reflect objective social reality, to reflect its essence, that is, in order for our awareness to reach the level of grasping the laws of the movement and development of society in a given stage of history, we must possess deep and broad knowledge of many fields of science, the natural sciences, the technical sciences and the social sciences. We must not only grasp the realities of the country, but must also acquire information on the achievements of world science.

Without new scientific knowledge, there can be no new thinking. Countless issues are faced in life today, from issues of a global nature, such as the decisive and sharp class struggle taking place throughout the world and the struggle to stop the nuclear arms race and safeguard world peace to pressing issues at home regarding prices, the market, economic incentives, interests, etc. If we are not equipped with the necessary scientific knowledge, we cannot understand the essence of the new questions we face.

Clearly, if we stop at old knowledge, our thinking, whether we want it to or not, will continue to be old, will continue to pose an obstacle to the advance of the revolution. This is one of the aspects that reflects the difficult, complex and long-range nature of restructuring, in general, and adopting new thinking, in particular.

Each field of science plays a role in stimulating the adoption of new thinking. However, in our opinion, importance must be attached first to the various fields of Marxist-Leninist science, the key ones being philosophy and political economics. Knowledge in the fields of

philosophy and political economics not only clarifies the new thinking in the social field, but is also the scientific methodology necessary for thinking—material dialectical thinking.

In principle, certainly no one can object to raising the matter in this way. However, there might be some persons who ask what is new about this approach. Because, we have always taught Marxism-Leninism, not only within the system of party schools, but also at colleges and vocational middle schools and Marxist-Leninist theory has even been selected as a subject on the national graduation examination.

True, we have been performing this work for many years and we have also recorded many achievements. However, it must be frankly acknowledged that our teaching of Marxist-Leninist theory and our research on this theory have been limited in many ways in recent years. As General Secretary Nguyen Van Linh observed: "If we research and teach Marxism-Leninism in an abstract and general way and our approach is 'bookish' and scholastic, we will rob it of its vitality and cause it to no longer be an effective weapon in transforming society." (Footnote 2) (Speech by General Secretary Nguyen Van Linh at the ceremony marking the start of the Eighth Higher Standards Class to study the resolution of the Sixth Congress. Document in use at the Nguyen Ai Quoc Advanced Party School, 1987, p 13)

Marxist-Leninist theory is always revolutionary and scientific in character. We must truly reform the teaching and research of Marxist-Leninist theory, must combat the practice of doing things in the old established way and not going beyond general principles, must apply this theory creatively and heighten its militancy in order to clarify, from the standpoint of theory, problems being raised by the realities of our country's revolution and the times.

To meet the requirements of adopting new thinking and achieving a higher scientific standard, we must wage a struggle—including a struggle with ourselves—against the habits of being too lazy to think, superficial, conservative, subjective and one-sided and against the habit of being satisfied with ourselves and thinking that we have grasped the truth of our times. We must overcome empiricism and disregard for theory and move ahead to learn modern scientific knowledge and meet the requirements of revolutionary tasks in the current stage.

Only by attaching importance to and successfully increasing our knowledge of science, most importantly Marxist-Leninist science, can we truly acquire the conditions needed to carry out the campaign to adopt new thinking well. Today, in view of the "information explosion" in the modern scientific- technological revolution and at a time when the volume of knowledge in all fields of science is growing at an exponential rate, the need to

learn modern scientific knowledge is becoming more pressing than ever before. This is a difficult and arduous task that must be carried out in a steadfast and very serious manner.

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Information-Reflection-Thinking

42100005i Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 39-43

[Article by Nguyen Duy Thong, Professor of Philosophy]

[Text] The vigorous development of science and technology as well as the strong development of modern production are providing man with an increasingly large volume of information. Information has become a general concept that many fields of science, including the field of thinking, are using to solve their problems. To examine the impact of information upon thinking, we must first examine the relationship among information-reflection-thinking.

1. Information: the first time that the concept of information was researched in terms of its social significance and reflected in press theory was in the 1920's and 1930's. According to the classic definition (mainly in press theory), information is new things that are learned as opposed to things that are already known.

In a continuation of this thinking, the concept of information became part of modern science, first through the information theory of C. Shannon, in which statistics-probability is the method employed to study information. This theory holds that the volume of information increases the more the news we receive is different from what we already know and decreases when the news we receive is more in line with what we know. The statistics-probability theory of information does not address the contents, meaning or value of signs and symbols that contain information. It deals only with the syntax of information, that is, only examines the relationship among signs and signals that contain information. But, if he does not go beyond this syntax, man (or the subject), while recognizing a sign or symbol, cannot understand the information contained in it. Therefore, it is necessary to study the relationship among the following three factors: change—information on this change—the subject. In other words, we must study the relationship between change and the subject through information on this change. Here, the contents of the information on the change are translated into the language of symbols and signals, that is, information is rendered in code and then transmitted to the subject. The information presented to the subject must be explained or translated into language that enables the subject to understand the contents of the information. This is the grammar of information. For example, a pedestrian must know the contents of the information in the "green light, red light" signal in order to adjust his behavior to conform with traffic laws.

One especially important aspect of the relationship between information and the subject is the need to select information that is consistent with the subject's established objective. In the information-subject-objective relationship, the value of the information is determined on the basis of how consistent it is with the established objective. This is the pragmatic aspect of information.

A broader definition of information examines information from the perspective of diversity. According to dialectical materialism, no two things are every absolutely identical. Everything is different. In the view of information theory, the volume of information contained in each thing that is identical to something else is zero.

Thus, information is defined as the diversity of one object embodied in another or, to be more precise, as diversity reflected. Viewed in this way, it can be said that knowledge itself embodies information because knowledge is always the result of the reflection of the diversity of things, phenomena and processes occurring in nature and society. But it can only become true information when it is accepted, reflected upon and perceived, that is, when it becomes understood. For example, when a teacher who is very knowledgeable in a field conveys his knowledge to a listener but the listener does not understand what he is being told, this knowledge is not information to the listener.

Considering information to be diversity reflected—this is the thinking basic to information theories. This thinking shows us the relationship between the concept of information and dialectical materialism's category of reflection.

2. Information and reflection.

Lenin once said: there is one property of the material that is similar to feeling but is not feeling. It is the property of reflection. Today, science has been and is proving the correctness of this thinking and confirming that reflection is a property of each material form. As material forms become more highly developed, the forms and level of reflection become more sophisticated and complex. In the process of the reciprocal impact and interrelationship of things in reality, one object leaves characteristic imprints upon another. We call this the process of reflection. If we ignore the quality of its properties and the relationships and interrelationships of this object that are reflected in the other object, it can be said that this process is the process of recreating the diversity of this object in the other, as a result of which one object receives information on the other. From this it can be drawn that information is the diverse reflected and that the process of transferring the diverse from one object to another is the information process. Information and reflection are closely interrelated but they are not synonymous. The concept of reflection is broader and more complex than the concept of information. The latter is only one side, one aspect of the former.

In the organic world, the forms of reflection are much more complex than in the inorganic world. In particular, among the higher animals, some forms of reflection are psychological. Corresponding to this form of reflection is information in the form of images.

The psychological reflection found in animals is the premise to the conscious reflection of man. Conscious reflection is the highest form of reflection and is found only in man as a social being. Through practical actions, man exerts an impact upon the objective world, gains an understanding of the laws, properties and structure of things and phenomena, creates systems of theory, sets goals and takes measures to transform the real world. He knows how to select from the information presented to him that which is consistent with his established objective. Corresponding to this highest form of reflection is social information. It is also the highest form of information. It expresses all three aspects of information—syntax, grammar and the pragmatic. Moreover, the content of this type of information is logical thinking—the highest and most positive form of reflection of objective reality.

3. Information and thinking.

Thinking is a function of the human brain and, as such, is a natural process. However, thinking does not exist outside society, outside language or outside the knowledge accumulated by man. Therefore, man's thinking is social in nature. Each individual person becomes a thinking subject only when he uses language, concepts and logic as products of the process of socio-historical development.

Language formed in the process of labor to satisfy the need to communicate and became the means of communication between one person and another. Language is the material shell of thinking and the means by which thinking is performed. It provides man with information in the form of images on the objective world. Language, and after language, the written word, which records man's knowledge of the objective world, are very important sources of information passed down from one generation to the next. To receive and store this information and turn it into one's own knowledge as the product of indirect reflection of the real world, man must also process this information in the course of continuing to recognize and transform the world.

When a situation involving a problem that needs to be solved arises, we must first set an objective to be reached and gather information on the nature of this situation. We must then process information on the basis of applying the information recorded in our brain, that is, applying our knowledge. On this basis, we decide to take certain actions to achieve our objective. Each person must decide his own actions. The leader must decide the actions of the collective of which he is in charge. If they are made without information, without the foundation

of necessary knowledge and without selecting information that is consistent with the objective, these decisions fall victim to what is called in the science of forecasting the Oedipus effect. This effect refers to a person named Oedipus, who intended to run from the fate that had awaited him and had chosen a path by which to achieve this. However, this path led to the same fate. The more he tried to avoid his fate, the more he was brought face to face with it.

The matter of selecting and processing information that is consistent with the established objective is another important aspect. This entails taking into consideration the immediate and long-range natural and social consequences of decisions. If we gather a volume of information but do not have the ability to fully analyze or clearly understand the essence of this information and then make a decision, we can easily fall victim to what is called in the science of forecasting the "monkey's hand" effect. This is seen when the closer we get to the desired objective, the greater are the consequences related to this objective.

The matters discussed above show that to think correctly when making decisions to reach established objectives, it is necessary to know how to collect all the information we need and how to select and process information on the basis of deep, broad knowledge. This knowledge is knowledge of objective laws that has been accumulated by mankind. The information related to the situation that needs to be resolved is usually component factors of the situation, the relationships among them, their trend of development, etc.

In addition to such fields of science as the theory of knowledge, logic, physiology and brain function physiology, cybernetics and information theory are also participating in researching the essence of thinking. Because it relates to the matter examined above, I would like to mention one achievement recorded by cybernetics in researching self-regulating systems—the discovery of feedback.

The purpose of thinking is to understand the essence of things and phenomena. But understanding is not something that can be achieved once and never changes. Rather, it is a process in which thinking moves ever closer to objective truth. Therefore, in each stage of history, man's thinking only arrives at relative truths. But practice is an inexhaustible source of thinking. It provides man with feedback information so that he can adjust, expand and increase his ability to think in the process of understanding the objective world. Feedback plays an important role in control systems. With it, man can regulate his behavior on his own and society can adjust its decisions to be consistent with the level of development. It also plays an important role in thinking but thinking, more often than not, ignores it.

Thinking has its own laws of movement and development. Formal logic and dialectical logic help us to know this. From the historical perspective, man's thinking has taken two directions: metaphysical thinking and dialectical thinking. Without requiring much by way of explanation, we know that metaphysical thinking cannot correctly reflect the objective world because this world is always moving and developing. To correctly reflect the world as it exists, we must cultivate dialectical thinking. The contents of dialectical thinking are very rich and encompass many matters, the majority of which we have yet to discover. Therefore, the issue we face is the need to cultivate dialectical thinking. As it relates to the matter of information and thinking, I would only like to touch upon one aspect of dialectical thinking that has been concretized by information theory in its own unique way.

We all know that the Laplace theory of decision making was formulated long ago and has left a rather deep imprint in the thinking of scientists. This theory is based on absolutizing the inevitable and disregarding the random. Therefore, when predicting the future of an event, it can have only one of two values: either it exists or it does not. Conversely, modern science recognizes the objective existence of the random in the theory of probability. This theory applied to information theory has helped us to become more flexible and accurate in our thinking. Consider the following simple example: suppose someone asks: "Can you predict whether the first person you meet when you step onto the street will be a woman or a man? Is there any basis for stating that the first person we meet will be a woman or a man? No, because this occurs randomly. Consequently, we can only answer that the possibility that the first person we meet will be a woman is 50 percent and a man 50 percent. This answer appears to be inconclusive but is actually quite accurate because they are only two sexes. Therefore, the chances of meeting a woman or a man are equal. Acknowledging the random will change our style of thinking and make our thinking more accurate and flexible. Moreover, in practice, man is always working with possibilities and, therefore, must think in terms of probabilities, that is, must gather, store and process a rather large volume of information on the problem he needs to solve. Without information, thinking easily falls victim to the "Oedipus" effect. Without knowing the necessary information, thinking easily falls victim to the "monkey's hand" effect. Without feedback information, thinking lacks a source of stimulation, does not recognize the random and becomes rigid.

"Adopting new thinking" is only a way of speaking. The real issue lies in abandoning metaphysical thinking and cultivating dialectical thinking.

As Engels said: "A nation that seeks to stand solidly at the pinnacle of science must engage in theoretical thinking." (Footnote 1) (F. Engels: "The Dialectic of Nature," Su That Publishing House, Hanoi, 1963, p 77) "But theoretical thinking is born only of ability. This ability

must be developed and cultivated. There is no other way to cultivate it than by studying the philosophy of preceding ages." (Footnote 2) (Ibid.)

However, Engels also asserted that the theoretical thinking of each age is an historical product, the form of which varies very widely from one age to another. Consequently, the contents of this product are also very different. Therefore, to cultivate dialectical thinking, in addition to studying the philosophy of preceding ages, we must also study Marxist-Leninist philosophy because it gives us the scientific world view and methodology. At the same time, we must concern ourselves with the achievements of today's scientific-technological revolution in those fields of science which relate to thinking, such as psychology, cybernetics and information theory.

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Practical Needs and the Adoption of New Thinking

42100005j Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 43-46

[Article by Nguyen Bang Tuong, director of the Philosophy Department of the Central Propaganda and Training School]

[Text] The issue of thinking and the adoption of new thinking is related to the theory of knowledge of Marxist-Leninist philosophy. To clearly understand the theoretical base upon which the party's policy concerning the adoption of new thinking rests, studying the question of practical needs as they relate to the adoption of new thinking is an important requirement.

Marxist-Leninist philosophy places the category of practice in the theory of knowledge. Practice is always moving and developing because practice embraces contradictions. The movement of these contradictions creates objective needs which demand that man's thinking change and, as a result, that man's knowledge also change.

In practice there is a reciprocal relationship between the subject and the object, that is, between man and the objective world. Because, the role played by the subject gives practice its dynamic and creative nature. The formation of the relationship between the subject and the object is the process of man gradually separating himself from the natural world in the course of his practical activities.

The continuing development of practice causes man to further separate himself from the natural world and become increasingly conscious and self-aware. Lenin said: "Instinctive man and barbaric man did not separate themselves from the natural world. Conscious man

does separate himself from the natural world and categories are the stages of this separation." (Footnote 1) (V.I. Lenin: "Collected Works," Progress Publishers, Moscow, 1981, Volume 29, p 102)

With categories, man has become increasingly aware of the objective world. On this basis, he has set goals for himself with a view toward transforming the world to serve his needs. This is the fundamental difference between man and the animals. Marx made the following comparison: "The movements of a spider are similar to those of a weaver and by building hives, bees put some architects to shame. But what distinguishes the worst architect from the best bee at the very outset is that before he built a beehive of wax, the architect would first construct it in his mind." (Footnote 2) (Marx-Engels: "Selected Works," Su That Publishing House, Hanoi, 1982, Volume 3, p 261)

Thus, through practical activities, the mind and the thinking of man—the conscious subject—are formed and developed. The establishment of goals by man is based on the aspirations, needs and interests of man. On the other hand, however, as Lenin said, they are also born of the objective world and based on it. Through the various forms of thinking, such as the concepts, categories and laws formed in the process of practical activities, man delves deeply into the nature and laws of the objective world. Only on the basis of this knowledge can man predict development in the future and set goals that must be achieved.

The movement of practice causes thinking to reflect objective laws and, on this basis, set objectives for the activities of man. Of greater importance, however, is the need to make this objective a result in reality. The movement of the contradiction between the universal nature and the immediate real nature of practice causes the objective of practical actions to become a result in reality.

The universal nature of this practice is the social nature, the nature as a law and the necessity for practical activities. This is the ability to turn the objective of practical actions into a result in reality when certain conditions exist. Under equal conditions, equal results can be achieved. Thus, the universal nature of practice is the nature as a law, is the cause and effect relationship between objectives and results in the process of practical activities.

The immediate real nature of practice is manifested in the contact and reciprocal impact between the subject and the object. This immediate real nature is the opposite of the abstract nature of the theory of knowledge. It is also objectivity, is dynamic sensory reality. It is expressed in specific material activities aimed at transforming the world of man.

The objectives of practical activities lie in the thinking of man and are, at first, subjective in nature. The trend, however, is constantly toward implementing them in the objective world. Because, between the objective and the object, between the objective and the result, there is a cause and effect relationship and the impact of objective laws. Consequently, the objective becomes a force stimulating thinking by man, a force requiring that he chart a course and develop methods, means and tools for achieving his objective. Because, the objective itself is only intentions that cannot implement themselves. Marx said: "Generally speaking, thinking cannot implement anything well. To implement thinking well, persons applying a practical force are required." (Footnote 3) (Marx-Engels: "Selected Works," Su That Publishing House, Hanoi, 1987, Volume 1, p 154) This practical force consists mainly of actions taken by man himself to transform the world. And, together with the strength of man, there is the strength of the tools created by man. To apply this practical force, man must be guided by thinking, must employ correct methods in his actions. The tools used by man are also the product of man's intelligence. They reflect his method of thinking, his level of knowledge. In summary, to achieve a result, man must act, and his action is implemented through thinking. Only by thinking correctly can man adopt correct methods and, in the end, achieve his objective.

We have often had the problem of not knowing how to concretize our line. This is essentially the result of not having a dialectical method of thinking, of not knowing how to apply the immediate real nature of practice to find and put to use practical forces with the aim of performing the tasks and achieving the objectives we set. Therefore, in the process of implementing lines, we have not been able to find correct methods, develop appropriate forms or chart solid steps. There have been many policies that we have not known how to concretize in each stage, in each sector, in each locality and within each unit.

Practice also serves as a standard against which truth is tested. It was Lenin who raised this thinking of Marx and Engels to a new level of development. He stated: "This standard is somewhat 'undefined' and, as such, does not permit man's knowledge from becoming an 'absolute'; at the same time, it is rather well defined and, as such, allows man to wage a bitter struggle against all kinds of idealism and nihilism." (Footnote 4) (V.I. Lenin: "Collected Works," Progress Publishers, Moscow, 1980, Volume 18, p 168) Thus, the standard that is practiced is both relative and absolute in nature. Consequently, the truth is both relative and absolute.

The development of practice demands that abstract thinking reflect on practice. Lenin pointed out: "From direct observation to abstract thinking and from abstract thinking to practice—this is the dialectical path to the recognition of truth, to the recognition of objective reality." (Footnote 5) (Ibid., Volume 29, p 179) To arrive at the truth, we must begin at direct observation and

proceed through abstract thinking. As Lenin said, the path to the truth is a dialectical path. For this reason, to quickly arrive at the truth, abstract thinking must become dialectical thinking. The material dialectic is a scientific methodology that helps us to cultivate dialectical thinking. As a result of practicing dialectical thinking, we have increasingly learned the objective laws of society and discovered mistakes and shortcomings. One of the objectives in adopting new thinking is to equip party members, cadres and each person with dialectical thinking.

By abandoning simplistic, mechanical and metaphysical methods of thinking and cultivating correct methods of thinking, we will arrive at correct views and concepts and criticize views and concepts that are incorrect and do not correctly reflect objective laws, views and concepts that are backward and outmoded and have not kept pace with changes in the situation.

As explained above, practical needs lead to the adoption of new thinking. The thinking of man moves and develops on the basis of practice. On the other hand, thinking plays a positive role in the practical activities of man because man acts under the guidance of thinking. The scientific method of thinking helps man to learn objective laws and objective truth. At the same time, it provides man with correct guidelines and measures to apply in his actions. Only by making the dialectical method of thinking ours can we be able to understand the revolutionary and scientific nature of Marxism-Leninism and apply it in revolutionary practice.

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From the Psychological Perspective

42100005k Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 46-49

[Article by Pham Hoang Gia, professor, MA in Psychology]

[Text] At present, "adopting new thinking" is being turned by some persons into an empty, formalistic appeal. Consequently, if we do not clearly establish just what the adoption of new thinking is, how we are to adopt new thinking, what must be adopted immediately, what can be adopted over time and so forth, we will cause the "adoption of new thinking" to also become something toward which we must take a new approach.

1. On the psychological plane, there is one aspect of thinking (mishlyeniye, pensee) that cannot be changed. It is logic. If this aspect is changed, we will fall victim to the pathological approach. (Footnote 1) (See: "The Pathology of Thinking" by B.V. Zaigacnic, MGU Publishing House, 1962 and "A Psychological Analysis of Problem Solving," A.R. Luria and L.S. Svetkova, Education Publishing House, Moscow, 1962)

In another area, thinking can change and changes continuously. Which area is this?

Before I begin, allow me to make one small remark concerning terminology. In the Vietnamese language, there are two different words used to distinguish between these two aspects, one of which came to us from the Russian language, the other from French. They are: "psychology" and "mentality." "Psychology" refers to the common plane, to the formal logic of the thinking of normal adults (in broad terms, psychology studies the psychology of normal adults who are not mentally ill and who live in a civilized, not pre-civilized, society). "Mentality" refers to the structural aspect (obrazovaniye) of the psychology that has formed, which bears the imprint of specific socio-historical conditions: class psychology, the psychology of a stratum of society, ethnic psychology... (Footnote 2) (See Engels thoughts on the difference between the British national character and the Franco-German national character and Lenin's thoughts on the psychology of workers, the psychology of petty bourgeois intellectuals, etc. Also see: Kantatjan: "Marxism-Leninism on National Character and the Paths to the Formation of an International Community," in Russian, Moscow, 1970 and N. Dzangindin: "The Nature of Ethno-psychology," in Russian, Alma-Ata, 1971) On this plane, Levy Bhrul wrote a book entitled "The Primitive Mentality"; Claude Levy Strauss wrote "Savage Thinking (as a Component of Mentality)"; and Ignace Meyerson wrote "Greco-Roman Thinking, Ancient Thinking," which have become works in a field of science that many authors now call historical psychology (to be more correct, the study of mentality) or "ethno-psychology." Thus, if we accept this term (mentality), we will have to say "changing our non (or not yet) socialist mentality as it is expressed in the various fields of theory (the theory of philosophy, economic theory, the theory of education, cultural theory and so forth)." Moreover, in view of the fact that this movement to "adopt new thinking" began in the Soviet Union, can we find some reference to this matter there? In the materials read by me, I have never encountered the phrases "izmyenitz mishlyeniye" [to change thinking] or "pryeobrazovats mishlyeniye" [to transform thinking], only "mishlits po novomi" [to think in a new way] or "obnovlyeniye mishlyeniya" [renovated thinking], but only very rarely.

2. Thus, where and how is the old mentality (I include "thinking" in this mentality) expressed? Specifically, what is our mentality?

2.1. In a recent seminar at the Institute of Education Science on "National Identity," I discussed the traits of the traditional Vietnamese mentality. (Footnote 3) (See materials on the "National Identity" seminar held by the Institute of Education Science published in TAP CHI THONG TIN KHOA HOC GIAO DUC, Number 12-1987, or TAP CHI TO QUOC, Number 8- 1987) The gist of my remarks: the adoption of new thinking in our country in this stage is understood

by me as moving away from the primitive, old agricultural mentality, that is, the mentality of a backward, small-scale and fragmented agriculture and from each vestige of other non-socialist mentalities that still exist in the way we think when raising and solving problems in order to advance to thinking and solving problems within the framework of the socialist mentality.

However, just what is the "old" in the thinking practiced within such fields as philosophy, political theory, culture, education, economics, circulation-distribution and so forth? In my opinion, this is also something that we have not clarified for ourselves, or at least have not clarified in a systematic manner.

2.2. According to the science of psychology, "adopting new thinking" (essentially, moving away from the mentality associated with small-scale, fragmented production) is manifested in three areas:

2.2.1. How problems are raised: in practical as well as theoretical activities, the process of thinking truly only occurs when raising problems. And how the "problem is raised" depends to a large extent upon mentality (personal experience, habits, way of thinking, knowledge, skills, etc.). Many problems are very complex if raised in one way but very simple if raised in a different way.

To adopt a new approach to the way we "raise problems," we must cast aside the "dogma" and "taboos" associated with the old mentality, which are no longer appropriate under the circumstances of today. For example, we must abandon the concept of "state subsidies," the "respect for the established order" concept of the old village, the concepts of bureaucracy, paternalism, contempt for the young, little respect for women and so forth and replace them with a new mentality: practicing economic accounting, making the people the base, placing the Vietnamese revolution within a world framework, viewing the revolution as serving the happiness of man, etc.

2.2.2. Problem solving: for the most part, it is the psychological factor that distinguishes between the thinking of man and the computer: the computer generally must try each and every available option; man, on the other hand, through his experience in the type of problem at hand (personal experience, manual skills, occupational habits, etc.) can immediately select the optimum plan and solve the problem in accordance with it. Therefore, although the speed at which man calculates—10 arithmetic calculations per second—is much slower than the computer's millions of arithmetic calculations per second, he still solves many problems faster than the computer. To make all the moves in a championship chess match, the computer must make 10 to the 11th power strategic decisions. Man depends heavily upon his experience and mentality. Thus, in new situations and under new circumstances in which his old experience is no longer appropriate, or at the very least, no longer optimum, his strategy for solving problems is

also no longer optimum. Do to the narrow scope of his experience, man immediately selects this less than optimum direction (meanwhile, the computer can compare every possible option and determine which is truly optimum under these new conditions).

In summary, to adopt a new approach to the way we solve problems, we must adopt a new mentality and abandon the familiar dogma and so forth that are now no longer appropriate. For example, we must replace working on the basis of dogma, empiricism and voluntarism ("the opinions of the upper level, the plan and so forth are inviolable") with a mentality that attaches importance to objective laws, to independent thinking, to scientific-technical knowledge, creativity, democratization, etc.

2.2.3. The system of concepts, categories, principles, laws and so forth that form the basis for solving problems: this is the entire system of tools that has formed in history. Each concept, category, principle and so forth is the summary (the essence) of a scope of practice of some breadth (the extent of which depends upon the specialized field in question). Therefore, adopting a new approach requires time—time for the new practice to be summarized in new concepts and categories. This does not mean that on one plane or in one area or another we cannot make changes immediately. In the past 2 years, the Soviet press has shown: changes in categories, concepts and so forth have been occurring concerning a host of very basic matters in many sciences and sectors (philosophy, political economics, scientific socialism, history, literature, etc.).

3. However, in psychology, we often quote a sentence in the work "Matters of Basic Psychology" by S.L. Rubinstein, the distinguished theorist of Soviet psychology, on thinking: "It is not the mind that is thinking, but man." This means: in each specific person, there are certain limits to the ability to adopt new thinking. Therefore, in certain positions and concerning certain issues, taking a new approach that goes beyond a certain scope requires that certain persons be replaced.

4. Conclusions:

A. Examined from the psychological perspective, the adoption of new thinking in our country is essentially a matter of replacing the "primitive mentality associated with a backward and fragmented agriculture," which forms the basis of the old way of thinking, with the socialist mentality, which forms the basis of the new way of thinking.

B. The adoption of new thinking is expressed mainly in the adoption of a new mentality that lays the basis for raising problems in a new way which, in turn, gradually leads to new directions in solving problems and to the adoption of new concepts, categories and principles, including in the field of personnel-organization.

C. The mentality that lays the basis for change lies mainly in the proceedings of the Sixth Party Congress.

D. However, we should not limit ourselves to the matters contained in these proceedings. Rather, from these matters, we must "extrapolate" changes in methodology, style and so forth to be applied on different scopes not addressed in the resolution of the Sixth Party Congress.

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**The Directions That New Thinking Must Take,
Directions in Line With the Times**
*421000051 Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 49-52*

[Article by Hoang Cong]

[Text] The adoption of new thinking is never a process that occurs on its own. Gaining a more correct and accurate understanding in order to more effectively resolve problems related to the needs of man—this demands the constant refinement of thinking. At times that are turning points, demand is even more urgent. The unprecedented changes that have occurred in all fields compel us to change our familiar concepts and adopt a new way of thinking (or method of thinking). The adoption of new thinking is usually associated with turning points that mark the start of a new age. (The Renaissance could not have occurred without a turning point being reached in terms of the contents and method of thinking, a turn away from the stagnation of idealism and metaphysical thinking to experimentation, precision and rationalism. The birth of Marxism and the development of science and technology in the late 19th and early 20th centuries coincided with the affirmation of the substance and method of thinking of dialectical materialism. The present world is also at a turning point, at a qualitatively new level in the development of man's awareness.)

Adopting new thinking is an objective demand of a universal nature, that is, a demand not only of us, but of the socialist system and, to some extent, of every other nation as well. It is not only a matter of scientific significance, but also a matter of profound social significance.

In the case of the socialist system, the adoption of new thinking has the purposes of giving us a more correct understanding of the events in all aspects of human life and a more correct understanding of the obstacles and contradictions arising within socialism in order to develop and perfect socialism and win victory in the historic struggle against capitalism. The adoption of new thinking in our country is occurring against the background of our times and this goal of socialism. Consequently, our adoption of new thinking must proceed in directions that are characteristic of the times.

Practice has shown that many of our concepts are behind the times. To acquire new concepts, particularly regarding modern socialism, we must adopt a new way of thinking, not continue to think in the same old way. But does this mean that dialectical materialism, the great achievement of Marxism, is also behind the times? No, it does not! To the contrary, adopting new thinking means adopting thinking that is truly the thinking of the material dialectic. On the one hand, we must refine the theory of this method in light of modern conditions. At the same time, we must improve and increase our ability to think by this method. That is, we must increase our knowledge of this method and, with this knowledge, consciously and creatively apply the "art" of the modern material dialectic. The adoption of new thinking is not a matter of changing the inherent laws or logic of thinking, such as comparison, analysis, integration, induction, deduction, generalization, abstraction, etc. Examined from the perspective of improving the ability to think, adopting new thinking is a matter of applying these laws and methods of logic well in accordance with the material dialectic. Here, it must be clearly stated that the disciplines and forms of logic developed by the science of logic are nothing more than the summary of different processes of logical thinking and different forms of abstract expression of the inherent laws of thinking. Of course, studying and creatively applying these disciplines and forms of logic are useful as the application of experience gained in thinking to new relations, the objects of which are new. But more important to us is that we know how to set directions to our thinking in this age of unprecedented change. These directions are both the theoretical views concerning the age, as the results of a process, of a stage of learning based on our class stand, and the methodological base of the new thinking (this is consistent with the concept that a method is a theory summarized). Here, we are referring to thinking as a means of recognition common to all of us, not merely as the thinking within a particular field or scope of activity because, today, there is no field or scope of activity of man that exists independently, is self-contained or is not related or tied to another. Consequently, there is no field which requires only its own distinctive method of thinking but does not also need the method of thinking characterized by the common attributes and qualities of thinking, in general. This is modern scientific theoretical thinking, thinking based on and oriented in the directions of the times. (Allow me to point out in addition that, today, to recognize and resolve each problem, we need to practice theoretical thinking and base what we do on scientific theory. Recognizing and resolving problems by means of and in accordance with experience does not meet modern requirements.)

In my opinion, the directions of new thinking associated with our times are:

1. Toward a comprehensive, systems approach: theory is an abstract system. But, it is also concrete—in the sense of the concrete objects of recognition. The nature of

objects as multi-faceted systems demands that theoretical thinking be oriented toward discovering new relationships, new strata and layers in the relationships of objects, that is, new systems. The true objective identity of things and phenomena, their "essence," is determined by these systems of relationships. No system is "pure." That is to say, all systems embody aspects and tendencies that are different or opposing but are still tied to one another. Concerning the present world, the Political Report at the 27th Congress of the CPSU stated: "The world today is very complex, diverse and dynamic. It is filled with opposing tendencies, with contradictions...which are, however, dependent upon one another and complete in many respects." (Footnote 1) (See: M.S. Gorbachev: "The Political Report of the CPSU Central Committee at the 27th Congress of the Party," Su That Publishing House, Hanoi and Novosti New Agency Publishing House, Moscow, 1986, pp 10 and 31) Therefore, if we stop at only one aspect or layer, our perspective will still be one-sided. If we think along more comprehensive lines, if we take more of a systems approach and include even the "impure" aspects of each system, our perception will become increasingly deep and we will be able to delve more deeply into the essence of things and phenomena. Is this not the universal principle of the material dialectic and the process, as Lenin said, of proceeding from the first to the second and then the third layer of something's essence?

In our age, the systems view must be a global systems view. The issues or tasks of each nation must be examined from this perspective to some extent, for example, the issues of population, poverty and foreign debt of the developing countries are not only issues of these countries. Their underlying causes are to be found overseas, found in exploitation by the imperialist countries. These causes exert a negative impact upon the development of mankind, in general. Consequently, resolving these issues requires the common efforts of the entire world. The development of science and technology, the exploitation of nature by man, the development of nuclear technology...have become global issues related to the destiny and the survival of mankind.

2. Political direction: comprehensive, "systems" thinking demands modern political views, world political views, based on the working class stand. Even the internal issues and tasks of a nation must be examined against the background of world politics and from the perspective of political relations with the outside. This is even more necessary with respect to perfecting the socialist political system. Clearly, how socialist democracy is broadened is not only an internal need of socialism, but is also influenced by demands for democracy in the political life of the world.

The basic tenet of international political thinking today is peaceful coexistence, is not resolving the struggle between the socialist and capitalist systems by war. Safeguarding world peace and achieving nuclear disarmament are the most important tasks in the political struggle in the world today.

Our thinking in recognizing and resolving each issue of today, especially political issues of the world, be they large or small, must be in line with the political view of our times, with this global political view. Making progress through peace and maintaining world peace are the standards of world political thinking today.

3. Toward science and technology:

However, what is the strong force behind each change taking place today? Clearly, it is the vigorous development of science and technology. This development is creating new raw materials, new building materials and new technology. It is creating a new economic structure and new management mechanism. As a result, it is changing the face of the world economy, rapidly raising man's productive capacity and causing basic changes in many scientific concepts. Present day nuclear technology has led to a concept of world war that equates to the destruction of mankind. Consequently, the concepts of war and peace have also had to change. This is something new that cannot be ignored in the political struggle, in present day "political thinking." Obviously, the socio-economic development of every nation today is very heavily dependent upon acquiring and using the achievements of science and technology. Therefore, new thinking must, on the one hand, analyze events on the basis of the development of science and technology. On the other hand, it must be oriented toward applying these developments in an effective way in each activity, particularly economic activities.

4. Toward man:

The development of science-technology is always closely tied to human development. It is dependent upon man's ability to understand the world (mainly his ability to engage in theoretical thinking). On the one hand, the computer, cybernetics and so forth help man to process information more rapidly and think more decisively and accurately. On the other hand, however, under these conditions, there is also the need for man to cultivate quicker, sharper thinking. Machines cannot fully replace the mind of man. Scientific-technical man is the moving force behind social development and the goal of this development. This is our view concerning man. Our thinking is directed toward further tapping the social activism of man and his ability to contribute to the development of society (broadening the practice of democracy and increasing the ability to engage in scientific thinking, as we are doing now, etc.). On the other hand, we consider satisfying reasonable needs (in a manner consistent with the present stage of history) and creating the conditions for man to achieve well balanced development and happiness to be our constant and highest goals.

The directions of new thinking that are associated with the times in which we live are an important part of the overall direction being taken in our adoption of new thinking today.

Research-Exchange of Opinions on Product Contracts in Agriculture

Summary of the Opinions Expressed in 4 Issues of TAP CHI CONG SAN

42100005m Hanoi TAP CHI CONG SAN in Vietnamese No 12, Dec 87 pp 53-58

[Article by the TAP CHI CONG SAN Editorial Board]

[Text] In the section entitled "Research-Exchange of Opinions" of TAP CHI CONG SAN, the product contracts in agriculture were discussed in issues number 7 through number 10, 1987. The authors presented their views concerning the essence of the product contracts with groups of laborers and individual laborers, the situation surrounding the implementation of contracts in recent years and the guidelines for improving these contracts in the years ahead. For the convenience of readers, we have summarized the similar and differing opinions of these authors concerning the following matters.

As regards the essence of the contracts, two differing opinions were expressed. One opinion held that the product contracts with groups of laborers and individual laborers are a form of production relations that is consistent with the nature and level of development of production forces within agriculture today. They represent a scientific method of managing labor, production and distribution. The birth of product contracts fulfilled the need to develop agricultural production and, as a result, was greeted enthusiastically by tens of millions of farmers. Product contracts bear all the characteristics of the economic accounting mechanism.

According to this opinion, the positive aspects of product contracts are that they have broadened the scope of independence for the individual, the family and the production section and unit; made the individual laborer accountable for the final product; combined the various interests in a way that is well balanced, which includes upholding the legitimate interests of the farmer; unleashed strong forces that encourage farmers to concern themselves with developing production... At the same time, while affirming that the positive aspects of these contracts are the basic aspects, these authors maintain that the negative aspects, such as "non-specific contracts," backlogged product, cooperative members returning fields and so forth, are not the result of the nature of the new contracts but due to the fact that the organization, management and coordination provided by cooperatives do not meet the requirements of the new contracting mechanism. The price policy, supply policy and so forth that apply to cooperatives and production collectives, and the relations between the state and farmers are still based on the old mechanism characterized by bureaucratic centralism and state subsidies.

The other opinion holds that in their current form—uniformly dividing fields (some good and some bad, some near and some far away, some high and some lowlying) and contracting with each household to perform three jobs (of the eight involved in the production of a product) in a manner that makes each household accountable for the final product together with the policy of "being allowed to earn profits but also assuming any losses that are incurred," the product contracts are essentially "non-specific" contracts with households. The opinions of this type cite positive aspects of the "new contracts" (although the extent of these positive aspects is viewed as differing), but do not consider them to be basic, and stress such negative aspects as the use of "non-specific" contracts from the first to the last production job, a gradual decline in cooperative funds, a low percentage of the value of the manday and the income of cooperative members coming from the collective economy... As one author observed, all these negative phenomena stem from the nature of the new contracts: "The final product contracts with individual families contain the seeds of 'non-specific' contracts and negative phenomena." Thus, the new contracts are basically not scientific in nature.

Have the product contracts caused production relations and the material-technical bases of cooperatives to erode and weaken?

The opinion was expressed that the product contracts are a specific economic form that is compatible with the current level of development of production forces. To hastily set up cooperatives at which the labor policy is the manday policy (associated with the old contracting method), which is compatible with a highly mechanized system of agriculture, at a time when the level of development of production forces is still very low and labor is primarily manual labor is not the correct approach to take. Therefore, the product contracts do not cause socialist production relations within agriculture to decline. To the contrary, they build and strengthen them in all four areas: ownership relations, management relations, trade relations and distribution relations. The construction of material-technical bases within agriculture continues to increase and more favorable conditions exist for the construction of these bases because it is closely tied to the vital interests of the laborer. As a result, the construction of material-technical bases is acknowledged as a need and effectively carried out by the laborer.

In the initial stage of the period of transition, when the economy still consists of many different segments, encouraging the self-employed, private and household segments of the economy to invest capital, labor and so forth in expanding and developing production is an objective requirement. The assessment of the phenomena of "private ownership," "exploitation," and so forth under the agricultural product contract mechanism must be based on this practical view. We should not sit by and do nothing because we fear "private ownership" and

"exploitation." Rather, we must implement the party's guideline "utilize in order to transform and transform in order to utilize better" well. This is an important prerequisite to strengthening and improving production relations and strengthening the material-technical bases at cooperatives.

Conversely, the opinion was also expressed that, in their current form, product contracts erode and weaken socialist production relations and the material-technical bases within agricultural cooperatives. Under the impact of the product contracts, which are essentially "non-specific" contracts, production relations have been distorted in three areas:

—Collective ownership and private ownership have become intertwined;

—Labor is both private and collective and cooperative member households manage production on their own on the fields they accept under contracts;

—The principle of distribution in accordance with labor has been violated. The production process consists of eight jobs but cooperative member households only perform three of these jobs yet are still allowed to keep all the product they produce over and above contracts. This is inappropriate. This is why the capital formation funds of cooperatives have shrunk, the value of the manday has gradually decreased and the income of cooperative member families from the collective economy has steadily declined as a percentage of their total income, thus causing cooperative members to not feel closely associated with their cooperative.

At present, more than 80 percent of cooperatives are using "non-specific" contracts with households. Many places have turned over cropland, buffalo, cattle and farm implements to households and allowed them to organize the various production jobs on their own, only requiring them to pay taxes and contribute to the various funds of the cooperative at the end of the season. Because the fields distributed to cooperative members are fragmented, the application of technical advances is impeded. At many cooperatives, crop varieties and livestock breeds (rice, hogs and so forth) have degraded, water conservancy systems have been destroyed and the management provided by management boards and production units is no longer effective. The scope of the production structure of practically all average and weak-deficient cooperatives has been reduced. The amount of area under the cultivation of subsidiary food crops, collective livestock production and the trade sector have declined at many places. Cooperatives are moving away from diversified production and back to monoculture and the collective economy is being overpowered by the private economy. In summary, products contracts as they are being used now, essentially as "non-specific" contracts, represent a step backward in production relations and are impeding the development of production forces within cooperatives.

Will the product contracts lead to the division of the class?

This is a question that was also addressed by practically every author. They all agreed that a division between rich and poor has occurred. However, two different opinions were expressed concerning whether this division between rich and poor will lead to the division of the class:

One opinion holds that in the process of implementing product contracts with groups of laborers and individual laborers in the countryside, differences in income have developed among cooperative member households. This is not in conflict with the nature of socialism nor does it conflict with the requirements of the law of distribution in accordance with labor. Generally speaking, the fact that some individuals and families who have accepted contracts have become wealthy (through lawful income) as a result of investing additional labor and liquid capital, knowing how to plan their work and so forth in order to increase their incomes and fulfill their obligations to the cooperative...has benefited the country.

According to this opinion, the assessment of the "phenomenon" of private ownership and the "division" between rich and poor under the product contract mechanism within agriculture today must be based on the party's view with regard to guaranteeing social fairness in the low stage of communism. He who works much, receives much. He who works little, receives little. He who does not work, receives nothing. These are the requirements of the law of distribution in accordance with labor, of social fairness. Moreover, in our country, where the dictatorship of the proletariat is solid and strong, the exploiting classes have been abolished and the state-operated economy plays the dominant role, the use of the self-employed, private and household segments of the economy within some sectors and trades, although closely associated with the phenomenon of "division" into rich and poor, in place of "uniform poverty," does not lead to the division of the class and is even less likely to cause the reappearance of a ruling, exploiting class.

The realities of the new contracts in recent years show that concerns about socialist construction in the countryside being undermined are unfounded. To the contrary, something new has emerged, a revolutionary movement of millions of masses eagerly working to build socialism in the countryside.

The other opinion holds that, with product contracts as they are currently being used (as "non-specific" contracts), the countryside has not only been divided into rich and poor, but mutual exploitation—the premise to the division of the class—has also emerged. From the standpoint of the full scope of the production relations created by the product contract mechanism, "non-specific" contracts have led to the uneven development of production among cooperative member households, all

of which have different investment capabilities. Thus, it is inevitable that some households earn a high income and become increasingly rich and, conversely, that other households earn a low income, are in need, are in debt to the cooperative, must borrow money at high interest rates, sell their rice crop before it reaches maturity and so forth. But the split into rich and poor will inevitably cause the division of the class in the process of competition between collective ownership and private ownership, competition between common labor and remuneration and private labor and remuneration.

Are product contracts still a force stimulating the development of production and, if so, how long will they continue to be a force?

The opinion was expressed that the application of the product contract mechanism within agriculture is an objective requirement of the economy. In the fraternal countries that have reached developed socialism (including countries that have a modern economy), product contracts with individuals and families remain in use together with contracts with collectives. On the other hand, the socialist business-accounting mechanism demands the use of product contracts with individuals, not simply contracts with collectives. From this standpoint, it can be said that the product contract mechanism "lives" as long as the economic accounting mechanism exists.

The examination and assessment of the new contract mechanism must be based on a practical and comprehensive view of the socio-economic situation. We should not contend that each difficulty and negative phenomena that has arisen in the countryside is the result of the new contract mechanism. This leads to the conclusion that the product contracts with individuals and families are no longer suitable and have fulfilled their positive role and that the old method of contracting should be restored. The problem is not that the new contract mechanism has fulfilled its role as a force behind development. Rather, the problem lies in the old management mechanism, in old economic policies that prevent the new contract mechanism from fulfilling its inherently positive role.

In summary, the final product contracts with individual laborers will not disappear until they are replaced by another form of organization and remuneration of labor that is compatible with the nature and level of development of production forces (in the stage of modern mechanized production).

In contrast to the above opinion, another opinion holds that because the "new contracts" embody, by their very nature, negative factors and "non-specific contracts," they only become a stimulative force for those cooperative member households who possess the ability to invest additional capital and labor in the fields they accept under these contracts. But in the case of average and poor cooperative member households who are short of

help and unable to make additional investments, their income gradually declines, their indebtedness grows and, as a result, many do not want to accept contract fields or return their fields to the cooperative.

The product contracts with groups of laborers and individual laborers only stimulated production during the first several years (1981-1983). However, since 1984, the stimulation provided by this contract mechanism has gradually declined because of new contradictions arising between the need to practice intensive cultivation and raise rice yields and the limited ability of cooperative member families to make capital investments; between rising costs and a steady decline in the amount of product that can be produced over and above contracts; between continuous natural disasters and the inability of each family to cope with these disasters as well as the untimely and meager assistance provided by the state and the collective to cooperative member households in terms of fertilizer, pesticides, the control of waterlogging and efforts to combat drought; and between the practice of conveniently raising contract quotas and obligations and the low and gradually declining income of cooperative members.

Perfecting the Contract Mechanism

From the different perceptions and assessments of the implementation of the new contracts, different opinions also arose concerning how the product contracts with groups of laborers and individual laborers within agriculture should be perfected.

Those who hold the opinion that the contracts are scientific by nature and reflect compatibility between production relations and the nature and level of development of production forces maintain that perfecting the contract mechanism in the years ahead will mainly involve overcoming the negative phenomena that have arisen in the process of their implementation.

The product contracts with groups of laborers and individual laborers are a progressive factor. However, they were born within a management mechanism characterized by bureaucratic centralism and state subsidies as well as by decentralization and localism, which has given rise to many negative phenomena in production and social life. Therefore, perfecting the product contract mechanism within agriculture is closely related to revamping the management mechanism, to adjusting the structure of the economy, strengthening material-technical bases and perfecting the system of economic leverage policies.

We are in the initial stage of the period of transition to socialism, the dominant features of which are widespread small-scale production, an economy that still consists of many different segments and uneven socio-economic development among areas, localities, basic units and families. Thus, many, more diverse forms of product contracts should be introduced.

In the years ahead, we can also conduct a pilot project in "direct and total" final product contracts with cooperative member households, that is, pilot projects in "putting everything on a contractual basis" at places where material-technical bases and the organizational and management skills of cadres are still very weak.

To perfect the contract mechanism, some localities have established industrial-agricultural-commercial-credit cooperatives which, by means of economic contract relations, joint businesses, integration and trade with state-operated commerce organizations and other production and business units, have become service organizations that provide technical materials, supply industrial goods and organize trade in agricultural products with cooperative member households.

From the perspective of planning and the division of management responsibilities, a three-level form of contract, the cooperative-unit-family (or the cooperative-unit-section) and a two-level form, the cooperative-household (or the village-household at places where there is no cooperative) can be applied.

Efforts to perfect the product contract mechanism in use within agriculture today must be based on the new view of the Sixth Congress concerning utilizing and developing the household economy, the self-employed economy, the private economy...in a manner closely tied to expanding the various forms of integration and joint businesses on the basis of developing the dominant and key role played by the state-operated and collective segments of the economy, dismantling the mechanism based on bureaucratic centralism and state subsidies, shifting to socialist business-accounting... Only by moving in this direction can we gradually overcome difficulties and negative phenomena and perfect the product contract mechanism within agriculture.

Those who hold the opinion that the use of "non-specific" contracts at many cooperatives today stems from the nature of the product contracts with groups of laborers and individual laborers maintain that to correct this situation, it is necessary to shift away from "product contracts" to piecework contracts with production units (primarily component product contracts with groups, not contracting with each individual for everything from the start to the end of the production process (non-specific contracts)). Piecework contracts are a progressive form of contract that is compatible with the nature and level of development of production forces in our country's agriculture today. The Soviet Union has been using this form of contract for nearly 60 years, gradually improving it to keep pace with the level of development of production forces.

The "final product contracts with individual households" contain the seeds of "non-specific" contracts and negative phenomena and, as a result, require that a shift be made to final product contracts with production

units. This method of contracting will correct the decentralization and fragmentation of fields, tap the strength of collective labor and the spirit of mutual assistance, make effective use of collectivized material-technical bases... The key to implementing this method of contracting is to make production units solid and strong, insure that they are of appropriate size and create the conditions for cooperative members to easily inspect the common work of the unit. Under this method of contracting, the cooperative is responsible for providing a full supply of technical materials to the unit.

The common guideline for perfecting contracts in the years ahead is that the strengthening of production relations must be closely tied to the development of socialist production forces within agriculture. Of most pressing importance here are the needs to strengthen and perfect the cooperativization policy and build and develop the collective economy so that it is solid and strong.

We must research, summarize, modify, improve and perfect, in ways that are scientifically based, the product contract in use at agricultural cooperatives. In particular, we must combat the use of "non-specific" contracts with households. We should not think that "cooperative member households cooperating and establishing a division of labor on the scale of the household are also good." This is not consistent with cooperativization as defined by Lenin and totally inconsistent with the thinking of Uncle Ho, of our party.

Consequently, we must actively combat the use of "non-specific" contracts.

The above are differing opinions concerning the product contracts within agriculture and how to perfect them. From these opinions, some common ideas about how to perfect product contracts in the years ahead emerge. Of importance in giving direction to efforts to perfect the product contract mechanism is the need to base these efforts on the fundamental views of the Sixth Congress concerning adopting a new way of thinking and working and selecting appropriate economic forms which guarantee higher productivity, quality and efficiency and insure the advance of our country's agriculture from small-scale production to large-scale, socialist production. In the initial stage of the period of transition, the facts that the economy still consists of many different segments and development, from the standpoint of material-technical bases and the level of organization and management, among areas and localities is uneven demand that we diversify the forms of contracts (which can include directly contracting with households; the state and the collective must actively play the role of providing services or flexibly apply other forms of contracts). In other words, we should not compel farmers to accept any rigid form of contract. Rather, the contract used should depend upon the conditions of each unit and locality. Farmers should be able to select the form of contract that is best suited to them in order to tap the

strength of the collective economy while mobilizing the potentials of each family to develop production, improve the standard of living and produce many products and goods for society.

The product contracts within agriculture are one of the important elements in strengthening and perfecting the new production relations and stimulating the development of production forces within agriculture. This is a burning issue with which many persons are concerned. However, differing opinions still exist concerning the theory and practice of the "new contracts." To further clarify these matters, it is our hope to receive many letters and articles from readers contributing to the review of the product contract mechanism within our country's agriculture.

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Research-Exchange of Opinions on Inflation

The Dong in the Process of Shifting To a Commodity Economy in Our Country

42100005n Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 59-63, 72

[Article by Dao Xuan Sam, professor of economics]

[Text] For many years, particularly in recent years, many persons in our country have been studying the problem of inflation and have proposed different plans and ways to solve this problem. However, if we keep issuing more money as we have been doing, everyone can see that our country's economy will fall into a vicious cycle: the more we issue money, the more prices will be pushed upward and the rise in prices will make it necessary to put more money into circulation. But if we manage the budget by restricting the issuing of money and enacting price controls (essentially only controls on the procurement and selling prices of the state economic sector), there will be a very serious shortage of money needed for production and business (and we will be unable to control prices). Recently, thoughts have been expressed about adjusting the dong and prices by means of a price index or a "standard dong in the form of a book entry dong used in payments" within the state sector. These are complex and difficult questions. They pose the greatest challenge to our country's economy today. We feel that to stabilize the circulation of money and effectively fight inflation, it is necessary to fundamentally reexamine the currency in circulation and place the matter of stabilizing the circulation of money and the budget within the process of shifting to a commodity economy in keeping with the spirit of the Sixth Party Congress.

Thus, what is the currency in circulation in our country and what is the state of Vietnam's money market today?

At present, our country's currency, which is issued in accordance with budget expenditure requirements, including expenditures through credit, is largely a currency in name only, a currency which exists under the conditions of an in-kind economy, one characterized mainly by relations involving the delivery and allotment of material resources. Given these relations, the present issuance and circulation of money are only compatible with an economy that is not a commodity economy and with a wartime economy. Because, under these circumstances, regardless of the mode by which money is issued, the purchasing power of the currency is "guaranteed" by the use of stamps and coupons issued by the state for the purchase of goods at subsidized prices through rationing, in accordance with supply standards or on the basis of orders and letters of introduction... Since the liberation of the South, when the entire country embarked on the period of transition to socialism, particularly since the issuance of the resolution of the Sixth Plenum of the Fourth Party Central Committee, the situation has fundamentally changed. The two newest features of this situation, which bear a decisive influence upon the currency, are the emergence of an economic structure consisting of many different segments and, closely tied to it, the development of commodity-money relations. The scope of delivery-allotment relations has gradually narrowed but these relations still exist, mainly within the socialist economy, most importantly within the state-operated economy. Special attention must be given to the fact that once a commodity economy and a market exist, there is a need for currency. And, of course, the currency that emerges must serve the functions of currency. In our country, the paper money issued prior to now has basically only served the role of augmenting in-kind relations. In the new period, it continues to serve its old role while beginning to fulfill the function of money on the social market. At the same time, however, the mechanism by which money is issued has not been restructured and remains a "finance, budget mechanism." As a result, paper currency basically does not fulfill the functions of bank currency.

As regards the currency's function as a means of measurement, paper money is of high value when it is accompanied by in-kind distribution relations but of less value when free trade is practiced. Moreover, as a result of being issued to meet non-production expenses and to ineffectively subsidize production, the dong has been losing value very rapidly on the social market. Thus, examined in terms of its function as a means of measurement, our current paper money has two characteristics: it has two values at the same time, which correspond to the two systems of prices. However, both of these values have been declining rapidly. The value reflected in prices on the free market has been declining steadily at a rapid rate while the value reflected in state prices has dropped suddenly in response to the adjustments made to prices. As a result, with paper money, the state and each commodity producer have fallen into a state of confusion concerning how much value is actually being measured by it. Because prices are always calculated in

money, prices have become chaotic. However, goods continue to be traded in a rational manner because, on the social market, gold, strong foreign currencies, rice and other products have spontaneously emerged as standards of measurement. Thus, from a practical standpoint, it is clear that paper money in our country has lost its role as the basic and universal standard of measurement. As a result of these conditions and the fact that the state is not using a price index (devaluation index), the entire economic management system of the state has also fallen into confusion concerning the measurement of value, fallen into many illusions and thus cannot correctly calculate profit or loss, increases or decreases, and is incurring very heavy losses. Meanwhile, the self-employed and private segments of the economy and many alert businessmen have spontaneously found natural standards of measurement in order to avoid these illusions. Moreover, they are also taking advantage of very many loopholes in the economic policies of the state. While being unable to fulfill its basic function—the function of measurement—paper money is also very weak from the standpoint of its other functions.

In its function as the means of circulation, due to the continuous devaluation of the dong and the existence of a multi-price mechanism, many difficulties are being encountered in the movement of money-goods and goods-money. The dong also no longer serves the function as the normal means of circulation. This has led to the emergence of direct barter at variable price ratios. Moreover, in our country today, many other strong currencies (including gold) have emerged in “underground circulation,” as a result of which paper money has steadily declined in value and no longer serves as the strong and universal means of circulation on the social market. Therefore, the total volume of paper money in circulation is only a part of the total volume of money. Were we to convert the total volume of paper money in circulation at present into a strong foreign currency, we would see that the volume of money is very small compared to the size of the economy. Thus, how should we understand inflation in our country today? It is the abuse of the power to issue bank money. But, as true bank money, there is a very serious shortage of money compared to the need of the state to use money as a very strong tool in regulating the market and managing a commodity economy.

When it no longer serves the functions as the standard of measurement and the means of circulation, paper money is also weak from the standpoint of its function as the means of payment. It can be said that those private employers and businessmen who directly rely upon paper money as the means of payment must at least use a price index (devaluation index) or some form of real money to measure profit and loss, increases and decreases in their economic activities. The revenues-expenditures payment system, the procurement-sales system and the loan-repayment system of the state, which are based on paper money and, generally speaking, do not use or have been very slow to use a price

index, have caused an exceedingly large loss of national assets. The agricultural taxes collected in product from farmers and procurements from farmers under obligations and at state prices are virtually the only stable and steadily rising revenue sources of the state. The private owner and the free businessman still can use paper money as the means of payment provided that they take the price index into consideration or pay “cash on delivery,” pay immediately. To them, money in a check is worth less than paper money because payment cannot be made immediately in cash. No document that replaces cash can be used in payments. This is an important factor exacerbating the difficulties in payments.

As a result of continuous devaluation, the dong has also lost its function as a means of saving. The devaluation of money has caused large losses to persons who save money in the bank. On the other hand, as the “grantor of credit,” the bank has caused a very large loss of national assets. This has led to an attitude in society and among families of putting their savings in gold, precious items or products of high value in foreign currency. As a result, the state has lost the majority of its ability to accumulate money, gold and precious items through the bank. The policy of paying high interest rates on bank deposits or guaranteeing bank deposits and insured government bonds calculated at the value of a number of goods, such as rice, cement, cloth and so forth, represent a step forward but are not a fundamental solution to the problem of accumulating money, gold and precious items through the bank. Such accumulation is something which the banks of many socialist and capitalist countries do very well. We can only fundamentally resolve this problem when we truly have a bank currency that is closely tied to a fully trustworthy commercial banking system. Our country's economy is in a situation in which “each household puts its savings in a jar,” therefore, the capital of society cannot be mobilized or accumulated in order to be put into circulation. In other words, our state has not borrowed much money from the people. Meanwhile, it must borrow money overseas at very high rates of interest. Moreover, because the bank has not begun or has been very slow to begin to do business in money, gold, foreign currency, precious items and so forth, a commercial market in money and gold, including high interest loans, has spontaneously emerged in the form of an “underground economy.” Because it is weak in the areas described above, our currency is also very weak in internal monetary relations. It is truly not internationally convertible because, at any one point in time, there are many exchange rates and these rates are constantly changing. Under the spontaneous, free right of exchange on the market, the value of Vietnam's paper money is exceedingly low and the dong is converted at a loss.

In view of the functions and value of paper money in our country, has the volume of paper money in circulation increased or decreased? Is there too much or too little money in circulation?

It is true that the volume of money being issued has rapidly risen. However, because there is no confidence in the dong, prices have risen at a higher rate than the increase in the volume of new money issued. Thus, the total volume of money in circulation has decreased compared to total prices, which has led to a shortage of money in circulation. And, in the activities of the "underground economy," gold, strong foreign currencies and so forth have spontaneously emerged to compensate for this shortage. Therefore, lawful businesses are trapped by the shortage of money. Meanwhile, a number of unlawful businessmen have amassed very much capital and quickly become millionaires.

Thus, the mechanism by which money is being issued today has exacerbated the imbalance between goods and money and caused increasing disorder in the field of prices and money. The state is unable to control the rate at which prices are rising, unable to control the volume of money in circulation. Money and goods have gradually slipped from the hands of the state. National assets have been lost, state cadres, manual workers and civil servants are encountering many difficulties in their everyday lives and some persons who earn their livings illegally have had an opportunity to quickly grow rich.

From the above analysis, the following several general observations can be made:

1. Paper money is not being issued through a bank mechanism, consequently, it basically does not serve the function of a bank currency. It is very weak on the money market, a market in which many different currencies exist. This situation is closely tied to the lack of a commercial banking system. With many different currencies in circulation, the money market is a spontaneous market in the form of a very deeply entrenched "underground economy," which has brought chaos in prices.
2. The socialist economy, most importantly the state sector, in which production and business activities continue to be based, in principle, on paper money, is confused about how to measure value, cannot overcome its problems, has restricted its own development and is suffering many losses at the hands of the private segments and economic forms (because they have spontaneously found natural standards of measurement and appropriate mechanisms). Current paper money also cannot gradually become an internationally convertible currency alongside the currencies of the CEMA member countries, consequently, the expansion of international economic relations is also impeded.
3. With the current currency and banking system, the state budget, which has always been very difficult to balance, cannot emerge from a deficit, is causing a serious loss of national assets and cannot mobilize or accumulate capital among the population for economic construction.

The common trend in economic reform in many socialist countries, mainly within CEMA, is to work toward achieving a true currency on the basis of truly respecting the objective nature of the relationships between goods and money and eventually achieving an internationally convertible currency within CEMA and then a currency that is widely convertible internationally. As for itself, each member of CEMA must also have a national currency that is closely tied to international currencies, that is, a currency that can be converted domestically and internationally. This is an important tool in developing international economic relations.

Within each country, the shift to socialist business accounting must be based on a commodity economy with a currency that truly serves all the functions of a currency. Without it, business accounting cannot be fully implemented. Consequently, it is essential that we carry out monetary reform in our country, the sooner the better, and keep pace with the common trend in economic reform in the other socialist countries.

On the basis of the above analysis of the nature of the currency in circulation in our country today and in order to meet socio-economic development needs in the new stage, we suggest that it is necessary to carry out monetary reform in accordance with the plan presented below. If implemented gradually, not hastily, the plan will not cause sudden upheavals. It is a plan that will take some time to put into effect but which will certainly yield positive returns:

1. The first step that can and must be taken is to issue government bonds and develop the business in money at banks, most importantly the credit business and the receiving of gold, precious items, foreign currency, paper money and so forth...converted into a standard dong backed by a gold standard. The conversion price would be negotiated at the time of deposit. Thus, on the basis of the standard dong, an index of conversion into paper money will emerge and this index will take the place of the social market price index and be publicly posted at banking centers. This is a step which, in practical terms, we have already begun to take and which has opened enormous possibilities for bringing capital into the bank. However, to create confidence, we must shift entirely to converting the various types of government bonds and savings deposits into a dong backed by a gold standard and establish procedures for depositing savings and buying government bonds that are truly convenient and simple, procedures promulgated in the form of a law.
2. As regards issuing money, we should continue to issue paper money as we are doing today. At the same time, depending upon the results achieved in amassing capital through government bonds, upon the amount of credit outstanding and upon the need to put money into circulation, the bank should issue money at the gold standard of the standard dong. This can be initiated by issuing money in the form of credit checks that are circulated within a given scope. Over time, this scope

can be gradually expanded and eventually become widespread. These would be checks and currency issued in accordance with banking principles mainly to meet business capital needs in the form of collateralized business loans. Money can also be issued to buy gold and other precious items and to pay interest at the standard rate. In principle, the amount of money that can be issued depends upon the ability of the market to absorb money and still keep a reasonable amount of purchasing power in the dong. In the future, when the two dong indexes stabilize, a single dong will naturally emerge. With a dong that fulfills all these functions, Vietnam's currency will be able to take its place alongside the international currencies of CEMA.

3. In their trade activities, their assessment of assets and their revenues and expenditures, socialist production and business organizations must apply a price index to correct the illusions and losses resulting from the price differential. We should, therefore, continue to give basic economic units the authority to directly mobilize capital in the form of interest bearing loans or the sale of shares at negotiated prices. This mechanism will gradually decline in importance as commercial banking capabilities improve and become more extensive. With the system of prices being regulated within a management mechanism in which the plan is the central tool, being regulated by plan relations and the contract ordering of goods, the state will still be able to regulate prices in the following three cases: rigid prices, which the state sets and guarantees; prices that have a scale, which the state also sets and guarantees; and free prices.

The state can also control wages in the production and business sector on the basis of required calorie intake and the imposition of a progressive tax on wages that exceed the average.

4. With the bank shifting to the business of accumulating capital and with an increasingly strong dong, difficulties being encountered in socialist production and business, most importantly within the state-operated sector, will be resolved. This will make it possible to generate increased budget revenues and reduce subsidization for losses in the production and business sector. At the same time, budget expenditures within the non-production sector will be reexamined, thus insuring strict adherence to the principle of keeping expenditures within the framework of revenue sources while quickly putting an end to the practice of "eating into" borrowed capital (domestic and international). Of importance is that the budget for investments in expanded reproduction will quickly acquire new sources of capital in the bank through government bonds and credit.

In many ways, we have already begun to take the steps described above and these new directions have, in principle at least, been established in resolutions of the party and state. The only matter that has not been established is the need for a standard dong that is backed by a gold standard and is issued through a banking mechanism

that is coordinated in all the areas mentioned above. This is the key step that must be taken in the process of shifting to a commodity economy and the socialist business accounting mechanism.

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Some Thoughts on Credit Generated Inflation in Our Country

42100005o Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 64-69

[Article by Le Dinh Thu, MS in Economics]

[Text] The money issued and put into circulation in our country has always taken two channels: issued to fund budget expenditure accounts and issued to expand loans and develop bank credit activities. By issuing money through credit to the extent necessary for the production and circulation of goods within the scope of credit capital (the money loaned must correspond to the value of the goods), it can be guaranteed that the money loaned will return to the bank. Thus, issuing money through credit cannot be considered something that is without limits, cannot be considered a means for solving the difficulties being encountered in each activity of the economy and subsidizing operations in place of the state budget. The limits to which credit can be extended are based on the development of social production. On the scope of the entire national economy, there must be relative balance between the rate of growth of the gross social product and the rate of growth of indebtedness in the form of credit. Within each enterprise and economic organization, there is a relationship in terms of volume and rate of growth between indebtedness and the form of bank credit and the realized value of product output or the total value of goods circulated and services.

When the volume of investments in the form of bank credit exceeds its limit, this capital cannot be reclaimed and is controlled by the law of the circulation of paper money. (Footnote 1) (Here, it is necessary to use the terms "paper money" and "credit money." Although they exist in the same form, they differ in terms of their economic nature, the mechanism by which they are issued and the laws that govern them.) Meanwhile, when bank credit no longer serves a positive role as an important economic lever, an effective measure in fighting inflation becomes a negative factor and causes "credit generated inflation." In our country, this "credit generated inflation" has exacerbated the already sharp imbalance in the relationship between goods and money within the economy and will inevitably cause a rise in the amount of money issued.

In my opinion, credit generated inflation in our country has many causes, including subjective mistakes in financial, credit and banking policies. These mistakes are manifested in the following:

1. Credit debt rose at the average annual rate of 27.7 percent from 1976 to 1980 and 95.8 percent from 1981 to 1985. The gross social product (calculated at 1982 comparative prices), however, rose at the average annual rate of 7.3 percent from 1981 to 1985. In 1986 and 1987, credit debt continued to rise sharply, increasing at the rate of 214.2 percent in 1986 and an estimated 190.9 percent in 1987. Although the above comparisons are not based on the same price factors, it is clear that the rate of credit investment has risen very rapidly, far exceeding the rate of growth of the gross social product and national income.

2. Due to the failure to maintain balance between credit capital sources and the volume of investments in the form of credit, investments in the form of credit have been expanded far beyond the capital sources mobilized by the banking system, thus forcing us to make increasing use of capital in the form of newly issued money. On the other hand, the incorrect use of capital resources and the inappropriate use of credit in investments (the percentage of short-term capital used for long-term loans was 24.7 percent in 1985 and 53.8 percent in 1986) have produced negative consequences in the circulation of money and in the relationships between goods and money. This has created the conditions for economic organizations to widely use loans for investments in intensive development to meet capital construction needs outside the plan.

3. The policy on combating subsidization through the state bank has, in practice, been replaced by subsidization through credit in various forms: extending loans equal to a high percentage of the capital acquired by enterprises on their own as part of the ceiling on liquid capital; allotting credit to make up for lacking state budget liquid capital funds or granting loans to provinces and municipalities to balance the local budget accounts used in capital construction and payments outside the budget year; making loans to subsidize prices and export goods as well as subsidize various businesses which operate at a loss but which the budget cannot fund or cannot fulfill its obligation to subsidize; advancing money to enterprises that operate at a trade deficit each month; and funding many state budget obligations. Therefore, the scope and the volume of subsidization through bank credit have steadily expanded and grown.

4. The credit interest rate system has not been fulfilling its role as an economic lever stimulating the centralization of each source of domestic monetary capital in the bank and the economical use of capital in the form of credit. At a time when they still have a rather large amount of capital on hand, enterprises and economic organizations are still ready to borrow money from the bank and postpone the repayment of debts despite the bank's punitive interest rates because they will incur "losses" if they do not borrow money from the state bank. On the other hand, the very wide gap between the credit interest rates of the state bank system and the interest rates paid on deposits makes it difficult to avoid

some economic organization depositing their capital in savings accounts to earn a high rate of interest, even borrowing money from the bank to deposit in savings funds and profit by the "interest rate differential."

5. The structure of credit investments is unreasonable. Too much capital in the form of credit is concentrated in the commerce sector, where it is utilized with low efficiency and does not yield commensurate returns. Meanwhile, the key production sectors, such as agriculture and the consumer goods industry, are not receiving appropriate investments. Indebtedness in the form of credit as a percentage of the total liquid capital of agriculture (including forestry and marine products production) stood at 7.2 percent in late 1986 and an estimated 6.8 percent at the end of 1987. Meanwhile, indebtedness in the form of credit as a percentage of the liquid capital of the commerce sector (excluding the public services) rose from 56.6 percent in late 1986 to 64.8 percent in late 1987.

6. The technical and professional aspects of credit activities are not compatible with the characteristics of the material resources-goods cycle of production and business sectors, of the various segments of the economy and are also not compatible with an economy that is experiencing serious inflation. Allowing liquid capital in the form of credit to make up 70 percent of the operating capital of enterprises and economic organizations through various types of loans made under ceilings and under plan quotas, made for the purpose of circulating goods and so forth essentially amounts to nothing more than extending loans with no repayment date.

7. The basic principles of bank credit activities have been seriously violated. As seen in the following, the basis of credit principles has been eroded:

—Low returns from the use of credit, returns not commensurate with the capital invested; credit activities being divorced from the movement of materials and goods.

—An alarming increase in the percentage of loans not being repaid on time and loans that far exceed repayment dates; making loans that are not collateralized by materials of equal value; making loans even in the form of goods and materials that are backlogged or circulating slowly; expenses that do not generate profits...

8. The structure of foreign currency loans is unreasonable and returns from these loans are low. The ability of economic organizations to make repayment in foreign currency is limited and this has made it more difficult to repay foreign currency loans on time and led to overdue loans and loans that are not repaid in full (either capital or interest). Export-import credit activities, especially loans for the procurement of export goods against the background of our currency being devalued by competition in procurements and sales, have brought greater confusion to the circulation of money.

9. The credit contracts and capital borrowing plans of economic organizations are contracts and plans in name only and are not closely tied to the production-business plans or the financial revenues and expenditures of enterprises. This situation is always placing pressure upon the bank for capital and cash. On the other hand, the overall credit plan of the state bank cannot establish balance between capital sources and the use of capital. In practical terms, this plan only focuses on meeting loan needs and expanding loan activities. The credit plan is virtually divorced from the cash plan from the time it is formulated until it is implemented. The state gives even less attention to the credit plan.

10. In economic activities, there is no longer an organic relationship between payments and credit. Non-cash payments and payments in cash are based on different price standards. In other words, the purchasing power of the same dong declines by 10 to 20 percent if it is used in non-cash payments. On the other hand, many negative phenomena are still concealed within the demands for collectives and individuals in business activities for widespread payment in cash. These are the primary factors that have increased the volume of cash as a percentage of the total volume of investment in the form of credit. This, in turn, has led to a rapid increase in the volume of new money being put into circulation.

Thus, to limit the abuse of credit and help to limit inflation in our country, there must be a fundamental change in the management of credit so that credit correctly reflects what it is and does not become subsidization "in the guise of bank credit." Bank credit that is not effective or which exceeds its economic limits is a source of inflation, serious inflation. On the other hand, bank credit must be viewed as an economic lever stimulating production, stimulating the circulation of goods and as an effective tool in consolidating the circulation of money. If the credit character associated with the circulation of money is correctly maintained and if the issuance of paper money through credit activities is effective, if this credit is repaid on time and is consistent with reasonable movement of materials and goods, we can still boldly continue to issue money because this issuing of money embodies the factor of stability for the rapid return of money to the bank. Therefore, it should not be asserted that "every other method of increasing the rate at which new money is put into circulation 'pours oil on the fire' and will cause immeasurable harm." (Footnote 2) (See: TAP CHI CONG SAN, Number 10, 1987, p 70)

The problem facing the banking system today is that it must try to accelerate the turnover of capital in the form of credit so that it can expand the scale of and increase the revenues from loan operations. However, it must also insure that the volume of money issued and the amount of outstanding debt in the form of credit increase in a manner consistent with the pace of production and the circulation of goods. In my opinion, the following solutions must be applied:

1. It is necessary to truly use bank credit as a stimulative tool in order to develop, accumulate and centralize each source of monetary capital within the economy and among the various strata of the people so that investments can be made in selected areas of priority with a view toward tapping each production potential and all production capacity and creating many products and goods for society. Determined steps must be taken to adjust the structure of investments in the form of credit along lines which centralize credit so that investments can be made in supporting and stimulating the implementation of the three programs in grain-food products, consumer goods and export goods. Within each economic program, objectives and areas and scales of investment must be considered and selected with the aim of quickly recovering capital in the form of credit. In the immediate future, we should significantly increase the percentage of overall investments made in agriculture and a number of sectors producing consumer and export goods.

2. Many flexible and attractive forms must be employed to mobilize each source of capital of collectives and individuals at home and the Vietnamese overseas. Many different channels must be used to mobilize capital (enterprises and economic organizations should mobilize capital at negotiated interest rates). At the same time, the professional banking system cannot stand outside production and business operations. Rather, it must directly participate in joint businesses and integrate itself with production and business sectors through the issuing of shares and the pooling of capital (as the Ho Chi Minh City Industrial-Commercial Bank is doing). This mechanism closely ties the person who pools his capital to the production-business operations of the enterprise or economic organization and results in self-financing.

3. The bank should only grant loans to the extent that credit is balanced, in actuality, with capital sources, which include money issued and put into circulation at the order of the chairman of the Council of Ministers.

The growth of credit activities must be balanced with the growth of the gross social product. Sensible development would be for outstanding indebtedness in the form of credit to increase at a rate that is a few percentage points higher than the rate of growth of the gross social product (because, one component of credit is used to establish reserves of materials and goods or pre-pay production costs for the next production cycle and the process of continuous reproduction).

4. We should improve the enterprise finance mechanism and the state budget management mechanism in order to prevent the credit mechanism from becoming a means of transferring funds and providing subsidies in place of the allotment and expenditure requirements of the state budget. A plan must be adopted to limit, to the lowest possible level, the use of credit to directly compensate for shortfalls in the state budget in the form of state budget

"loans" to balance the budget. In cases in which it becomes necessary to use the measure of issuing money to compensate for a shortfall in the state budget and if the use of this measure is within the scope and limits approved by the National Assembly, the Council of Ministers will examine and decide each loan made by the state bank. Cases involving state budget deficit accounts that far exceed the limit approved by the National Assembly require the approval of the Council of State or National Assembly. In these cases, the state bank is only permitted to make loans to balance the budget on the basis of a decision by the Council of Ministers. Eventually, it should also be required that these loans be repaid within a specified amount of time.

5. Bank interest rates, both interest on deposits and the interest on loans, should be adjusted to strengthen the impact of interest rates, quickly draw all capital in the form of money into the bank, put an end to negative phenomena in business management and make correct and economical use of capital in the form of credit. To set reasonable interest rates, attention should be given to the rate of inflation. Instead of simply insuring the rates on deposits, interest rates should be set on the basis of guaranteeing the overall returns of the economy. (Both the "input" and "output" sides of credit interest rates must be adjusted in order not to exacerbate inflation.) At the same time, the interest rate on bank loans must be lower than the investment interest rate, that is, than the net profit from production capital. The adjustment of credit interest rates must go hand in hand with readjusting unreasonable ceilings of a negative nature upon production and circulation costs. Circulation costs and discounts must be recalculated to meet the need for self-acquired liquid capital of state-operated economic organizations at new prices. At present, the interest paid on credit applied under plan quotas is included in production costs. Eventually, this interest should be taken from the enterprise's realized profit. In the case of loans outside the plans of joint businesses, integrated businesses and so forth, interest on credit must be paid for from the profits remaining at the enterprise.

6. Allotments of capital and loans for capital construction must strictly comply with the capitalization ceilings recorded in the yearly state plan and lie within the scope of the state budget capital transferred to the bank. Economic organizations or localities which intend to build projects that are not on the project list within the state plan must not be allowed to do so, even if they plan to use capital of their own. It is necessary to maintain a correct balance among the sources of capital for investment in intensive development and maintain a reasonable ratio between bank credit for intensive development and the total capital invested in capital construction under the state plan in order to avoid disrupting the material-technical balance in capital construction.

7. The credit management mechanism must be improved. The foremost standard of bank credit must be the economic returns from capital. Each loan of every

form must have a repayment date and be repaid on time. Credit activities must be closely tied to the movement of materials-goods and stimulate the circulation of materials and liquid capital within the economy and each unit. Technical-professional credit procedures must be revised to be consistent with the operations of the economic sectors and the different segments of the economy in keeping with the new direction charted in the resolutions of the Second and Third Party Plenums.

8. In conjunction with taking measures to more widely attract foreign currency deposits (the foreign currency floating on the market and the foreign currency lying idle within economic units) so that foreign currency can be centralized for loans to meet the needs to import additional machinery, equipment and fuels for agricultural and consumer goods production and create a domestic material base to replace imported materials, it is absolutely necessary that we recover all capital and interest in foreign currency and limit overdue loans to the lowest possible level, particularly overdue loans in the form of currencies that are freely converted.

9. Credit must be balanced by type, that is, by short-term or long-term, to insure balance nationwide among the absolute difference between the two types of credit in the overall credit balance, the surplus (or deficit) of the overall cash plan of the state bank and the difference between monetary revenues and expenditures within the population. These are three aspects of balance that are closely tied to one another within a single entity. Constantly insuring that these three elements are in balance is of importance in keeping inflation in check. Each year, when the Council of Ministers approves the limit on the issuance of new money or the recovery of money under the cash plan, the norm on the increase in outstanding credit (both short-term and long-term) must be reexamined. It is necessary to make the norm on the turnover of liquid capital in the form of credit—a norm which reflects the quality of an enterprise's operations—a norm in the management of bank credit activities.

10. Payment relations must be established between the state bank and branch banks and the specialized banks as well as among the specialized banks. The same applies to customers who do business with one or many specialized banks within a locality or nationwide. The interests of those who are making payment through the bank must be protected and payment by the bank must be fair and timely. Non-cash payment procedures must be improved, with importance attached to payment procedures that can be widely used by all five segments of the economy or a number of separate procedures for economic centers (such as issuing various types of checks that may be freely used to transfer money...) in order to quickly restore and reestablish non-cash payment order to the monetary cycle.

11. A new approach, the business approach, must be taken to auditing by the bank through credit, cash and payment activities. The way in which this auditing is

organized must be compatible with the mechanism guaranteeing the independence of basic economic units in production and business. A relationship of equality must be established between the bank and economic units (as businesses) with the aim of stimulating the development of production and the adoption of socialist business accounting.

We must revise the standards on well run economic units and weak and deficient economic units to be consistent with the new economic management mechanism. At the same time, it is necessary to widely apply credit, cash, payment and interest rate policies which give preference to well run units over weak and deficient units.

12. Bank operations must be vigorously shifted to socialist business accounting. We must strengthen the state bank and establish and put into operation specialized banks in keeping with the spirit of the resolution of the Second Party Plenum. In the establishment of specialized banks, consideration must be given to the special characteristics of national economic sector combines, the needs of the population for payment and credit services and horizontal integration among the sectors and different segments of the economy within an economic zone or within an administrative boundary. Specialized banks are economic-business organizations within the field of money and credit that have the legal status of an individual under the law and must, of course, have self-acquired capital. Under the current mechanism, the state budget has the obligation of approving and allocating initial capital to specialize banks. The operating capital of specialized banks must be formed through credit relations with the state bank.

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Ideological Life

The Story of Comrade Ch. Ch.

42100005p Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 70-72

[Article by Hong Tam]

[Text] My agency, which is on the provincial level, has replaced its chief three times since it was established. It has virtually become customary for each new arriving chief to hold an agency-wide meeting to enable agency personnel to express their aspirations.

The first such meeting was held to welcome the new chief to replace the chief who had headed the agency since its establishment. Although no one said everything that was on his mind, everyone was, generally speaking, entirely satisfied with the meeting. Comrade Ch. Ch. was pleased because this, according to him, was the first time that he had been able to express "things I have been keeping

inside for a long time" and because he had an opportunity to "represent" the agency's other personnel (he called himself a "representative" but was not actually appointed by anyone). He praised the new chief as "new but thorough."

Allow me to tell you something about Ch. Ch. His real name is Ngo Chan Chinh but we call him Ch. Ch. An agency located right next to ours also had a comrade they called Ch. Ch. But his "Ch. Ch." stood for "Chiu Choi," as in "playboy." He wanted to be called by this name and introduced himself to others in this way: "All I do is play, call me 'playboy.'" And, he was proud of this nickname up until the day he was prosecuted and imprisoned for stealing public property. Our agency's Ch. Ch. is different. He does not like to be called Ch. Ch. In our agency, Ch. Ch. stands for "chuyen chieu" (to change direction), "chay chot" (to seek a position) and "chuyen chay" (to specialize in getting ahead).

Allow me to tell you about the second meeting. The first person to speak to the new chief was Ch. Ch. This time, he spoke with greater fervor. He said: "This is the first time that I have been able to express 'some things I have been keeping inside for a long time.'" Some persons who were also in attendance at the first meeting recognized that he was saying the same thing as before, was "replaying the same tape." He recounted how his progress had been impeded, how he had gone for many years without receiving a raise, how the boss (the former chief) was a bureaucrat who listened to no one but liked to be flattered. And, lastly, just as he had done on the previous occasion, he voiced his impression that "you (the new chief) are very thorough and although you have just arrived here, you fully understand the aspirations of your personnel." Many persons who did not attend the previous meeting were saddened because Ch. Ch. was almost in tears as he spoke.

The third meeting took place early this year. The make-up of the agency's work force had changed significantly during the several years since the last meeting as a result of persons retiring or being transferred. And, Ch. Ch. was also different. When he learned that the new chief was about to arrive, he went from one office to another evaluating the agency's situation. He criticized the chief who had just been transferred as a bureaucrat who was not the least bit thorough. He startled several customers by walking into the business office and saying in a loud voice, as though shouting a slogan: "This time, things must be completely changed," "we must even change the history (?) of this agency" and "we must restructure everything from the bottom up, beginning by adopting new thinking." He then began to mutter unintelligibly.

The meeting went as everyone expected it would. Ch. Ch. rose to speak. This time, he was the fifth person to speak. With self-assurance, he said: "Sir...I am very touched to be able to express, for the first time, 'some things I have been keeping inside for many years.' I have been hampered...and have gone for many years without

receiving a raise. The boss (the former chief) was a bureaucrat who listened to no one but liked to be flattered... He never shut his mouth and never let anyone else speak. Whenever you met with him, he did all the talking, all you could do was listen..." Lastly, an emotional Ch. Ch. voiced his impression: "Sir (the new chief), although you only recently arrived here, you are thorough and fully understand the aspirations of your personnel!"

This time, unlike the previous meeting, Ch. Ch. grasped the chief's hand and began crying like a baby.

It is true that my agency has been hurt in terms of wages and salaries and that some things have caused a loss of unity. And, the two preceding chiefs were two different persons. One liked to talk more than listen but this only happened when he was speaking about something with which he was familiar. At the first meeting, he spoke very little, for no more than 20 minutes, while Ch. Ch. spoke for nearly 1 hour. The other chief spoke very little and often scolded persons but only after he had familiarized himself with his job and gotten to know his personnel. At his first meeting with the agency, he spent the whole day listening, saying only one sentence at the meeting's conclusion: "I thank you for expressing your thoughts, I will study them."

But there is more about Ch. Ch. that you should know. Unlike some other persons, he has received regular raises under each chief and once even received a raise early. He was once given priority by the chief for assignment overseas. In fact, when a friendly country invited a delegation to come study its management experience, the ministry appointed our chief and allowed our agency to appoint one of the delegation's cadres. Many persons were more deserving of going than Ch. Ch. I do not know how Ch. Ch. managed it, but the chief chose him. He also received an apartment before others and this apartment exceeds the standard for which he is eligible. Ch. Ch. has the "knack" of striking up an acquaintance with the chiefs of other agencies. Agency personnel maintain that their chiefs are partial toward Ch. Ch. and are sympathetic toward him because, long ago, he did perform some important work. But what they cannot tolerate is that wherever they infringe upon something in which Ch. Ch. has an interest or is "seeking" for himself (which he calls "seeking" for the collective), he always finds a way to get what he wants. In such cases, he is nice toward no one (except the chief) and often uses very vulgar speech. The other day, he criticized the agency for "not being willing to adopt new thinking" with regard to providing him with another apartment. It seems that he wanted the chief to sign an authorization allowing him to keep an apartment that had been assigned to him by someone on the upper level. This is an apartment that he had "hustled" for himself through his acquaintanceship with the director of the Housing and Land Service on the pretext that he was about to arrange the wedding of his son. Actually, his son, who is in his "probationary" period, was just informed that he would be spending 2

years in practical training in a Western country. Before public opinion regarding his son going overseas for practical training subsided, attention turned to this matter of an apartment. When public opinion reached the ears of the wife of Ch. Ch., she said: "And whom have we hurt, everything we have has been obtained by my family 'hustling.' They are benefits from the party, from the state, from up above. My heavens! Even the men and women on the central level 'hustle.' Anyone who knows what they are doing 'hustles.' If you have a problem, there is always someone around to help." To anyone who asks her about this extra apartment, she says: "We are just looking to the future. Show some sympathy... We obtained the apartment on our own without any help from the agency at all. If we waited for the agency to act, Tet would never come." Ch. Ch. echoes his wife: "Of course I 'hustle.' Whose looking out for me? How else would I get anything with all the difficulties they are causing? For nearly my entire life, I have been 'hustling' for the agency's collective. This is the first time (another first time) that I have 'hustled' for myself." When he learned that the chief, upon the recommendation of the Trade Union, decided not to sign his request for an apartment, Ch. Ch. blew up and began loudly criticizing the agency (he criticized the agency, not the chief) as "inhumanitarian," as "unwilling to take a new view or adopt a new way of thinking." He was asking for only one signature and couldn't even get that. "And what does the agency stand to lose if I 'hustled' an apartment that belongs to the state?"

Within my agency, no one finds the story of Ch. Ch. the least bit interesting. Yet, there are still two different opinions concerning him. The first is: he is indeed being "far-sighted" concerning the apartment. In this life, no one gets anywhere on his own. What's the use in "going against the current"? Moreover, he has not done any harm to the agency, rather, the agency criticized him. The second is: true, he was being "far-sighted" but his foresight was selfish and deceptive. It would not be wrong to say that he is a flatterer, an opportunist. No set of social ethics can ignore selfishness and deception. They are enemies which, while not killing the person himself, destroy his character. In our society, they are spreading on every level.

We cannot agree with the first opinion. Our great concern is: how many others like Ch. Ch. are there within our party and state? What and who molds the "character" of a Ch. Ch.? Are not the first opinion presented above and the "argument" of Ch. Ch.'s wife a tendency which lays the basis for the existence of the "Ch. Ch. character"?

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Letters to the Editorial Board

Bringing the Fine Arts and Architecture To the People

42100005q Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 73-75

[Letter from Nguyen Quan, painter, Hanoi]

[Text] Concerning the matter of the public and the fine arts and architecture, allow me to express the following few thoughts:

—There is a need to make everyone aware of the presence of the fine arts at all times and places. They are in the clothing we wear, in the furniture we use, in walls, floors and roofs... They are also found in our gardens, in nature and even in our dreams, joys and concerns. They are related to the prices of the things that we buy. They determine the ease with which machines and tools can be used. They create the space that exists within each apartment, factory and public place. Within this space, man grows up and his character is molded in the relationships between history and fate, between the individual and the community. Each of us and every economic and cultural-art leadership and management level must be fully aware of these facts so that we do not waste anything, from money, materials and time to the talents and zeal of the artist.

The fine arts are easily overlooked, not because they are alien, but because they are very familiar. They determine the principal relationship within each civilization and culture: the relationship among man, nature, buildings and the objects used in everyday life.

The purpose of the fine arts is not simply to exhibit and display. They represent the vast sea of art created by the craftsmen in Ho Village, Dinh Bang and Tay Phuong, in Thang Long, in Hue and so forth. At present, virtually the entire scope of the fine arts is being neglected, being given little attention, being considered of secondary importance. Consumer goods are unattractive. As you travel from home to the factory, from service and tourist centers to clubs and hotels, from the sidewalk to the square, you see either no art at all or only art that is of second-rate quality or fake. This situation has caused considerable harm. It has wasted money, poisoned the environment and eroded the aesthetics of the citizen.

In the more than 10 years of construction (since 1975), the fine arts and architectural circles have become increasingly aware of their role. Only by mobilizing their genuine talents and combining the fine arts and architecture with the various sectors of the economy is it possible to bring art to the public, to make them the worthy owners and consumers of art. Our nation's history lives in things that can be perceived through the senses—they are architectural and fine arts projects, the cities and the villages. And what is the beauty of the country if not all these things, these natural landscapes and the things that we are producing, building and using today? Regrettably, there are still many negative phenomena and order needs to be restored. The question of once again managing the fine arts so that they are truly a part of the life of the people must be considered a part of the economic-social-cultural program of the party and state. We must truly adopt a new outlook from the upper levels downward and enact laws to insure that this social need is met by material and spiritual production sectors.

—Incorporating the fine arts in the program of instruction at schools: at present, art is completely lacking in our curricula (both in general school education and

college education). Recently, when this subject was introduced in general schools, its function was misunderstood. Teaching the aesthetics associated with the fine arts is not merely a matter of teaching all students to draw (nor can we harbor the illusion that everyone can become a painter), but a matter of introducing, explaining and evaluating works of fine art. While we have managed to collect, study and republish a poem from the Tran era or the Nguyen era, hundreds of temples, thousands of statues and tens of thousands of pieces of fine pottery and wooden items have been destroyed, sold cheaply and forgotten. We do not have one book worthy of being called a book on the art of the world and Vietnam, on the artists of Vietnam. The crisis that is the lack of knowledge of art in general school education, in college education and in popular knowledge has created an extremely large gap between the citizen and the fine arts.

—Teaching fine arts aesthetics is a system of practical activities which occur in the environment in which one lives. It is necessary to educate all the people and give them a sense of respecting and protecting each project, work and artifact left behind by our ancestors in the past just as they respect the memorabilia of their own lives. These are architectural and artistic works, are the traditional handicraft sectors and trades, are the folk art scene in festivals. Policies and laws must be enacted to preserve traditional trades, considering them to be of cultural-economic value, instead of shoving these trades down the alley of producing souvenirs for tourists (even though this, too, is necessary).

It is illusory and childish for us to teach the tradition of patriotism but not teach respect for the temple roofs of the Nguyen era, the bricks of the Ly era, the statues of the Trung Hung era, the Dong Son drums, the earthenware plates of the Mac era... Why is it that tens of thousands of people and students in Hanoi never once visit the art museum or Van Mieu. Why, when a few dozen exhibits are held in the capital each year, only a few thousand tickets are sold? Meanwhile, Soviet citizens stand in lines for 7 or 8 hours to see an exhibit and, in the European countries, anywhere from several tens of thousands to tens of millions of people might attend an exhibit. Why, if the mass organizations are concerned with spiritual life, do they not arrange for citizens to attend exhibits? This is a direction in which steps must be taken in order to begin to create the habit and need on the part of the broad masses to attend exhibits. The trade union, youth and women's organizations at agencies, schools and so forth should incorporate fine art aesthetic activities in their regular program of activities. Attending exhibits, organizing art clubs on the basic level and closely tying the introduction of cultural and art vestiges to vacation, tourism and camp programs are useful and inexpensive activities. At present, money is only being spent at basic units to make banners and decorate for holidays. There are no funds with which to buy paintings and statues to beautify the places where the people work, play and enjoy themselves. Not only in existing environments, but

even in newly constructed projects, we seemingly have forgotten the role of the fine arts. The problem we face here is that basic units, agencies, enterprises, localities and so forth must have funds set aside especially for the fine arts. There must be specific regulations and instructions on how to use these funds so that genuine works of art (not bamboo blinds or "rice straw" lacquerware) reach the people at large.

—Policies and laws must be enacted to preserve the legitimate crafts of fine artists and architects. Our country has more than 60 million people. At present, however, only a few thousand persons are studying the fine arts. There are more than 500 members of the Artists' Association and nearly 50 persons engaged in researching the history and theory of art or criticizing art. This is a "paltry" percentage. Thus, excluding those few dozen persons who are skilled "middlemen" and obtain works of art (which are usually of inferior quality and expensive) for party A, the persons who place orders with them, the general situation is that paintings, statues and models of consumer goods are made but not used and books are written but not printed. The waste is truly awful! When the lines and policies of the party and state are not concretized in the form of regulations for each level and each sector, from the central level to basic units, no individual, no initiative, regardless of how strong, no brilliant intellect and no burning zeal can bring the fine arts to the public.

—We must correctly understand and evaluate the aesthetic capabilities of the masses in the fine arts. There is one mistaken concept that often impedes the introduction of fine arts to the people, namely, the underestimation of the aesthetic capabilities of the citizen in the fine arts. From publishing houses and book distribution agencies, from those who order products and the levels that approve projects to artists concerned with earning a living, everyone is afraid that the citizen will not understand the good and the beautiful of the fine arts. In fact, they use "the masses" as a slogan by which to practice demagoguery and as an excuse for being lazy in their creative work and management. Everyone knows whether something they buy is attractive or ugly, what the house they live in looks like, how beautiful parks and squares are, how good exhibits are and which paintings and statues they like. Deserving of attention is that we must provide knowledge to the masses and suggest to them ways to develop this real ability they possess instead of creating a "fashion" or an awareness for them, going around beating the drum and reducing requirements concerning the aesthetic capabilities of the various segments of the public in the fine arts. And, along with introducing art to the public in the ways described above, the fine arts must intensify their dialogue with the citizen through profound and responsible activities, activities which serve as a catalyst, of theorists and critics.

Not a Simple Struggle

42100005r Hanoi TAP CHI CONG SAN in Vietnamese
No 12, Dec 87 pp 76, 75

[Letter from Hong Quang, Nghe Tinh Province]

[Text] Ever since N.V.L.'s article entitled "The Tasks of the Moment" appeared in the paper, a breath of fresh air, a renewed sense of confidence has been brought to the struggle being waged by our cadres and people nationwide against negative phenomena.

With the exception of a small number of persons who are degenerate or deviant, the majority of our cadres and party members have enthusiastically responded to and support N.V.L. and seek to restore order and achieve social fairness and a wholesome society. Persons who have committed minor shortcomings or temporarily engaged in negative phenomena have bravely criticized themselves and rapidly joined in the common struggle. A number of cases and incidents that were brought to the attention of widespread public opinion and promptly prosecuted under the law have had the effects of serving as a deterrent and providing a common lesson to everyone.

However, these are only the first steps. This is not a simple struggle. Although we are only in the early "rounds," three different attitudes have emerged within the party committees at a number of places:

—There is the attitude of being determined to implement the party's position and demanding that persons who have made serious mistakes, regardless of their position or the level on which they work, be brought out into the light and publicly and harshly prosecuted. The persons who hold this attitude know that personal feelings might be hurt but do not think that this is a reason to be rightist or lenient and cause the confidence of the people to be lost.

—There is the attitude that a struggle is necessary but not a thorough struggle. Those who hold this attitude think and act in the old, half-hearted way.

—There is also the attitude of not liking to engage in struggle, even looking for one way or another to protect those who commit mistakes. These persons express an indifferent or ambiguous attitude by saying "what harm does such a shortcoming cause," "he has done much more good than bad," "the source of negative phenomena is production, production has not developed and to sit and struggle against negative phenomena only breeds more negative phenomena," etc, etc. We must examine this attitude carefully and see it for what it really is. Are these persons who are involved with persons who commit crime afraid of being implicated?

In the months ahead, the struggle against negative phenomena will continue to be an arduous and complex struggle. Those against whom this struggle is aimed will

resist even more strenuously. If they hold important positions within the apparatus of the party and state, they might look for ways to turn attention away from themselves, practice demagoguery or try to allay fears. On the other hand, they might ruthlessly suppress loyal and honest persons. Some might also covertly and cunningly "punish" good persons who do not align themselves with them.

Experience has shown that we should not combat negative phenomena in a sweeping fashion. We must alertly prevent persons from unjustly denouncing and randomly retaliating against others. When minor cases or incidents occur, we should take the opportunity during the regular activities of party and mass organizations to remind one another what is right and help one another to rectify mistakes. When large, serious matters arise, they must be made public and dealt with in a strict but fair manner.

We should also reevaluate key cadres, immediately replace persons who are indifferent toward the struggle and identify those persons who are intentionally being evasive and impeding the struggle or protecting criminals. Only in this way, in my opinion, can our party and state gain the participation of all the people in winning final victory in this difficult and bitter struggle.

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From the Books and Newspapers of the Fraternal Countries

The Experience of Some Fraternal Countries in Restructuring and Revamping the Economic and Social Management Mechanism: The People's Republic of Bulgaria

42100005s Hanoi TAP CHI CONG SAN in Vietnamese No 12, Dec 87 pp 77-84

[Article abridged by Nguyen The Phan]

[Text] Editorial Note: on 29 July 1987, WORKERS' CAUSE Newspaper, the central organ of the Bulgarian Communist Party, carried an important speech delivered by Todor Zhivkov, general secretary of the Bulgarian Communist Party Central Committee, at the 28 July 1987 plenum of the Bulgarian Communist Party Central Committee. The speech was entitled "The Concepts Concerning the Continuation of Socialist Construction in the People's Republic of Bulgaria." Below is an abridged version of this speech.

I. A Model of Society That Is Compatible With New Historical Conditions

The current line on restructuring in Bulgaria is the line on achieving development that is qualitatively new, is the thorough restructuring of the whole of social life in each and every field, and is the implementation of

Lenin's teaching that, in objective reality, not only the form of expression of a given entity develops, but the entity itself, in this case the entity that is the socialist system, also develops.

The new historical realities that must be taken into consideration in the restructuring campaign are:

1. The qualitative turning point that has been reached in the development of thinking concerning modern production, namely, that it represents a new industrial revolution.
2. In the face of the threat of destruction by atomic weapons, mankind has been forced to make the only possible choice, to survive.
3. The countries of the socialist community are also entering a new stage: they see the problems that remain unsolved and the obstacles that impede them from displaying the superior aspects of their system and have chosen the course of dynamic development in depth.

Due to the realities enumerated above, the issue we face is not only that of correcting our weaknesses and shortcomings, but also building a socialist model with a view toward achieving qualitative development.

The salient features of this model are:

1. Defining the essence and comprehensively presenting the superior aspects and the attraction of socialism.
2. Creating comprehensive conditions for society to function and develop as a self-managed system (by heightening the role of millions of persons as managers and making the dictatorship a dictatorship through the people instead of in the name of the people).
3. Bringing together all the primary characteristics and features of society, all the values, reserves and potentials of the country and participating in integration among the socialist countries, in the international division of labor.

The comprehensive concept of socialism is that it serves these primary goals: man and the happiness and wholesome development of man. To our way of thinking, man is working man, who creates material and spiritual values, creative man, who proposes new ideas and solutions, and consumer man, who satisfies his own material, spiritual and social needs.

In social policy, there are two matters that must be given special attention:

1. Under socialism, there can be no equality other than equality based on the principle of distribution in accordance with labor. This is the highest expression of social fairness.

2. Social fairness demands a relentless struggle against negative phenomena and violations of order and discipline.

To destroy "the wild beasts," that is, the exploiters, is not enough. If it ignores the flare-up of trivial cravings and gives free rein to the "little parasites" and "petty thieves" who steal socialist property, the revolution cannot achieve its goals.

II. Meeting the Demands of Objective Laws

First, we must make a greater effort to discover and promptly apply the objective laws of society that exert an impact in the current stage, such as the law of establishing ownership by society of the primary means of production and, on this basis, developing society in a planned manner; the law of compatibility between production forces and production relations; the law of the leadership role played by the communist party, etc. These laws are related to the scientific-technological revolution, to the law of value and the relationships between goods and money, to the increasing role of the masses as the creators of history and to a host of other processes and phenomena.

Here, there are two matters of special importance:

1. The impact of objective laws is in contradiction with a number of mechanisms, forms, relationships, standards and so forth that have been established.
2. Because no law exerts its impact independent of the other laws, the combined impact of all laws must be taken into consideration.

Second, the demands of laws are expressed in specific principles of socialism.

Some of the foremost principles are: the principle of self-management; the principle of the building of social structures and their functioning comprising an entity; the principles that stem from the law of value and the relationship between goods and money, etc.

Third, the demands of objective laws and these principles must become conscious demands and consciously applied principles. In particular, they must become part of the interests of the creators of material and spiritual values.

It is necessary to turn the strategy of the party into a living program, a program that is close to and easily understood by workers so that they take action and so that everyone understands that this program is their very own cause. Attention must also be given to the fact that there are some persons among whom the tendency is to want to achieve the ideal of socialism from the standpoint of consumption, and these persons are expecting to receive all that society has to offer. This is something that cannot be tolerated.

III. Changing Society Into a Self-managed Society

The self-management issue is the principal theoretical and practical issue in Bulgaria today.

The philosophy of self-management:

—Self-management is the most fundamental of all the principles we apply.

—The principle of democratic centralism is not only maintained, but is strengthened as well because self-management creates essentially new conditions for democratic centralism.

—Under self-management, the direct producer is the master and, at the same time, the subject of socialist ownership. These two aspects are indivisible. He is both the subject and the object of management.

—The principle of self-management is of significance to the entire development of society; therefore, it is necessary to restructure the entire social system so that society functions and develops as a self-managed system.

The principles of self-management:

—Self-managed units have the authority to solve each problem within the scope of their capability.

—Within self-managed units, the principles of the state and society move closer together and eventually merge as one.

—Self-managed agencies take over everything "on the upper level" of the self-managed community.

—A "from the bottom up" approach is taken in the establishment of agencies or organizations, in the establishment of their functions, authority, obligations and responsibilities and in the proposing of solutions.

—The principle of voluntary association applies in the establishment and integration of collectives.

Through the implementation of the above principles, social relations and the management of society are fundamentally restructured:

To begin with, let us examine the three basic sectors of the political system: state agencies and organizations; social agencies and organizations, social movements and the associations of writers and artists; and the agencies and organizations of the political parties.

This structure of the political system played a definite, positive role in the process of socialist construction. Today, however, it has begun to show itself as being more in contradiction with the development of society. Numerous subsystems of this structure have become obstacles to development. Within some elements of the

political system, bureaucracy and social mutations have emerged in a number of cases. They have brought back persons who are behind the times and are opposed to the new and the progressive.

Each of the three sectors mentioned above has its own agencies, operating mechanism and organizations on various levels and each has the authority to make decisions. However, the objects of these decisions are the same.

Concerning the pressing problems in society and social management:

The way that things were established and operated under the multi-level system led to the development of a group of bureaucrats. This group set its own standards in dozens and hundreds of ways, which led to insensitivity to the problems of man. The stratum of bureaucrats is not large but what makes them undesirable is their intention to maintain the status quo, maintain the positions, the public offices and responsibilities they hold, which are not insignificant.

The restructuring the entire system of social relations and the mode of operation of this system must begin in the "cells" of the system. These are the worker collectives in all fields that create material and spiritual wealth. They are the territorial communities, most importantly the communes.

The new aspect of our view is that we are beginning "from the bottom up," beginning on the basic level. And, once we have "fully utilized" the capabilities of this level, we will shift our focus to the next level, etc.

Self-managed communities are assigned broad authority and obligations so that they can independently resolve problems in their activities and in determining accountability in the activities of the community.

The community not only serves an economic function, but serves social, spiritual and political functions as well and all these different functions are related to people where they work and live.

From the territorial perspective, the basic element is the commune. The commune possesses all the authority, obligations and responsibilities needed to resolve the problems of housing, supplying daily services and public food and beverages, providing communications-transportation, providing public health care, organizing recreation and sports, providing education, protecting the environment, etc.

Building self-managed communities is part of the process of making society a self-managed society.

This means that not only the communities on the lower levels, but even those on the higher levels of state management must operate on the basis of self-management. And, self-management and the decentralization of social life do not mean the "dismantling" of the state administration, but are designed to enable this administration to function much more effectively.

Under the conditions of self-management, the legislative and administrative sectors grow closer together and, in some fields, merge as one. As a result, the need for two separate agencies, the Council of State and the Council of Ministers, disappears and they must be merged as one. Thought must be given to which ministries need to exist within this agency.

A national federation of handicraft producers can be a national coordinating agency in economic activities.

This federation is self-managed, in principle, and does not need to fulfill a state function. Rather, it represents self-managed commodity producers to the highest agencies of the party and state.

We must resolve the problem of the intermediary apparatus so that the "wings" of the thinking on self-management are not quickly cut off. We must eliminate the function of this apparatus of transmitting orders and reassign the majority of its other functions to the upper and lower levels.

In summary, we must reduce the height of the system of social levels and abandon the long, multi-level route created by the powers of bureaucracy and convenience within the intermediary apparatus.

The courts must also become socialist self-managed agencies. Trials must be conducted by self-managed organizations and agencies fulfilling the state function. Efforts must be made to find solutions acceptable to the various parties. It is necessary to strengthen the law and improve the work of investigative and trial agencies so that they are accountable for their actions.

Self-managed agencies must be established on the basis of broad democracy, on the basis of social openness, on the basis of elections and a system of candidate selection and recall.

Social organizations must also become new style organizations. They cannot continue to define their tasks as a result of "impact from the outside." Rather, they must become integral parts of the self-management system in terms of both their functions and structure.

IV. The New Quality of Economic Relations and the Expansion of the Social Zeal of Society.

1. The shortcomings of the model of economic relations that has existed to date are:

—Stagnation in the development of ownership relations has created conditions which have eroded the system of ownership and led to an attitude that there are no owners and to theft.

—An underestimation of the demands of the law of value and the relationship between goods and money "imprisoned" them.

—The application of planning and management methods of a cost-oriented nature and on a broad scale.

—Unbalanced development within the economy and the constant scarcity of a number of products.

2. The distinguishing features of the new model of economic relations:

—Economic relations are built in a manner consistent with objective laws. Each element occupies a proper position and takes into consideration the overall demands of these laws.

—Ownership relations are the nucleus of the system of social relations.

—A shift is made away from administrative methods to measures and a mechanism of economic adjustment.

—The law of value and the relationships between goods and money occupy proper positions.

3. The assignment to worker collectives of the rights of socialist mastery and ownership is a new stage of development.

The above does not infringe upon the inviolable system of socialist ownership nor does it undermine the process of socialization or lead to the decentralization of the means of production. Rather, it will lead to the enrichment of the forms of socialist ownership and their contents. The persons who exercise socialist ownership will become more numerous.

Emulation among the various forms of socialist ownership will be truly intensified.

The scale of mixed ownership (with foreign countries) will be expanded, private labor will be developed and effective coordination (or integration) will be established among the various forms of ownership.

4. The new ownership relations will have an impact upon the new division of authority within society and upon political relations.

The sense of being the master, the sense of responsibility and the concern of workers for one another will increase. The phenomena of apathy, of being a follower, of corruption will be overcome.

The harmful thinking that, under socialism, only the state represents and protects their interests, will come to an end.

The owner, who possesses real power, will also be concerned with the correctness of the resolutions and the qualities of the persons empowered to make these resolutions.

5. The activities of commodity producers in accordance with the law of value between persons and persons manifested as economic interests.

Objective laws and economic relations only become the source of development when they become economic interests of those who conduct economic activities. Economic interests are the explanation of the principles of new economic relations in a practical "language" that is easily understood by everyone (by performing good work, one does well for himself and for society).

Importance must be attached to the interests of the individual and to greatly increasing their strength for the sake of the interests of each collective and community.

6. The most important characteristics of the economic adjustment system.

Planning continues to be the primary tool. The plan sets the basic ratios and indices of the development of the country and production combines. This is followed by a dialogue on each planning level and among equal and equally responsible trading partners.

The plan is the axis but it is upheld not by an administrative mechanism, but by economic relations and interests. This is new.

Restructuring within the bank will have a major impact upon the economy and create the conditions for implementing the most effective economic measures. The bank must make optimum loans in order to accelerate the advancement of science and technology, provide financial support for the application of the new and declare the bankruptcy of enterprises that operate at a loss.

As regards prices, when establishing widespread consumer prices, it is necessary to do away with the mutated forms of capital formation that have existed in this field.

Prices must be based on necessary social labor costs and cannot be set in any manner that suits convenience. For the majority of goods, the price will be the actual export price on the world market.

Self-managed organizations must take the initiative in resolving their investment problems and will be fully accountable for the results.

Wages must be based on results, not on whether a person is present at his place of work or holds a certain position.

In a number of cases, our humanitarianism very easily becomes charity. Everything that reflects egalitarianism will be abandoned.

7. Emulation and competition in all fields of society.

V. Shifting Society To a New Technological Base

Today, such qualitative features of production forces as the following must be taken into consideration:

—The structure and make-up of production forces have been expanded to include the basic sciences.

—Production has been “intellectualized” and international technical exchange has strongly developed.

Only by reaching a turning point in the development of production forces is it possible to achieve qualitative growth.

The new form of the structure of social production originates in the organizational structure of the economy. Because, the contradictions that have arisen within the economy stem from the organization of sectors and the structure of production. Therefore, we have begun to establish production combines and new style production federations. Production combines create a turning point in the product structure of the economy and do away with the limitations faced by sectors and agencies.

The new production federations are strong economic groups that create the conditions for implementing unified technical, market and social policies. At present, we have exhausted the possibilities for development in breadth. Therefore, we must rely upon the factors of intensive development and focus our efforts mainly on technological development.

The need to build the material-technical basis of socialism on the basis of the achievements of the scientific-technological revolution demand that profound changes be made in the development of production forces:

First, production forces must be built in a flexible manner and quickly adapt to modern technology.

Second, shifting to a qualitatively new technological base must be the focal point of our efforts. Therefore, we must thoroughly improve existing technologies with a view toward reducing energy and material costs and reducing the need for manual labor. On the other hand, we must widely apply technologies that are new in principle and make the transition to an intelligent system of production and technology, the nucleus of which is: combining electronics with industrial technology and technologies that do not require humans, computer technology and modern management systems.

Third, as regards the structure of production, we must recognize the trend in the world toward fewer “huge enterprises” and strengthen the role played by small enterprises in which production is flexible and based on the diverse product needs of the market. At present, mass production at large enterprises is being replaced by production based on small product runs or individual orders.

Generally speaking, large-, medium-, and small-scale enterprises must be organically combined.

Fourth, it is necessary to keep abreast of the state of development of world production forces and make world standards our own. Otherwise, the prospects for development in a number of fields will be lost. Attention must be given to achieving increasing internationalization in the fields of capital, technology, science, raw material sources, etc.

Fifth, within agriculture, two processes must be expanded:

1. We must rapidly develop the biotechnologies;
2. The explosion of technology in agriculture demands major changes in its industrial “rear base.”

Sixth, importance must be attached to the “embryonic stage” of the development of production forces, that is, to science and its organizational structure. Therefore, there is also a need for thorough reform in the fields of science and education, especially in the college and vocational middle school systems.

Seventh, concern must be shown for the development of the service sectors.

Eighth, attention must be given to the position, role and importance of production forces, most importantly the human factor.

Human beings, as workers, specialists and leaders, are many times more important than they once were.

Importance must be attached to the quality of the training of the work force, the training of specialists and highly skilled workers and the training of new style workers who possess solid economic and technical knowledge, a high spirit of social activism and strong ethics and who live a rich spiritual life.

VI. The Leadership Role of the Communist Party under the New Conditions

The leadership role of the party is the most fundamental theoretical and practical issue of socialism.

In Bulgaria and the other countries, a number of deviations have existed in this field for many years. What emerged was a situation in which political power actually

became unlimited power of the party and party agencies becoming the highest management "strata," becoming the proprietors of the administration.

Party agencies are the "final level" that decides many important questions. And, in actuality, many state agencies have become agencies subordinate to the central agencies of the party. Party agencies are not responsible in any way for mistakes or setbacks, even though they intervene and issue directives on a daily basis. State agencies, on the other hand, do not have the authority to issue independent resolutions and implement them.

Because the party and state apparatus were built to suit all these conditions, they grew excessively and became severely bureaucratic.

This style of party "leadership" led to the inability to control the agencies and activists of the party, to the point where the role of administration deputies has been reduced to zero in a number of fields. Some party leaders have assumed the right to explain the law in their way and have violated the law.

On the other hand, some leadership organizations and committees of the party have been turned into the fiefdoms of persons of position and power.

All these things have led to degeneration within the party itself. At many places, the agencies of the party have become administrative centers.

The need to correct the deviations described above is now upon us. The way to solve this problem is to create the conditions for the administration to function in the way that it should. As for the party, it can be nothing other than a political organization built in a manner consistent with the principles of providing political leadership of the development of society.

Which principles form the foundation of the party's leadership role under these new conditions? In the documents that constitute its program, the party sets the general line to be followed by society and the basic guidelines concerning socio-economic development. Then, it enhances and develops these documents and this general line. The self-managed organizations establish specific tasks and a specific plan for implementing the line of the party without needing to present them to the party for examination.

The leadership role of the party is also reflected in its cadre policy and in teaching ideology in keeping with the spirit of Marxism-Leninism, thereby creating an appropriate political and ethical-ideological atmosphere.

The agencies of the party also observe the work situation on strategic fronts, check to see how the line and policies of the party are being implemented and exert an impact upon appropriate areas through party cadres. If deemed necessary, they also reorganize the staffs of state agencies.

Increasing the prestige and strength of the administration guarantees that millions of persons play the decisive role that is theirs, that they become managers and, as a result, the administration is strengthened. This does not reduce the leadership role of the party, rather, it makes the party more effective in this role.

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The Experiences of Some Fraternal Countries in Restructuring and Revamping the Economic and Social Management Mechanism: The Hungarian People's Republic

42100005t Hanoi TAP CHI CONG SAN in Vietnamese No 12, Dec 87 pp 84-87

[Article by Van Hy]

[Text] Editorial Note: at the recent session of the Hungarian National Assembly Grosz Karoly, member of the Political Bureau of the Hungarian Socialist Workers' Party and chairman of the Council of Ministers of the Hungarian People's Republic, delivered a speech on the program of action of the Hungarian government aimed at implementing the resolution of the July 1987 plenum of the Hungarian Socialist Workers' Party Central Committee.

Below are some excerpts from his speech that were carried in PEOPLE'S FREEDOM Newspaper, the organ of the Central Committee of the Hungarian Socialist Workers' Party, on 17 September 1987.

The July 1987 plenum of the Hungarian Socialist Workers' Party Central Committee adopted a resolution on the views of the party with the aim of implementing the socio-economic program of Hungary. This resolution represents the continuation and, at the same time, the revamping of the bold and clear-sighted line of the Hungarian Socialist Workers' Party, which brought the country through the tragedy of 1956, successfully built socialist industry and agriculture and has proposed and implemented economic reform aimed at developing socialist democracy.

To concretize this resolution, the Hungarian government, after organizing a debate and widely soliciting opinions within the organization of the party, the state and the people, drafted for presentation to the National Assembly a program of action consisting of two stages: the stage of stabilizing the situation and the stage of implementing the socio-economic program. The first stage, which will last for a few years, is aimed at laying the groundwork for the second stage.

Why does Hungary need to meet the goal of stabilizing the socio-economic situation?

During the past decade, the new scientific-technological revolution developed strongly throughout the world. The number of nations participating in and achieving good results in economic emulation increased. Correspondingly, political and economic forces in the world were restructured. New forms of international cooperation emerged. New prices and price ratios formed. These changes have posed major challenges to many countries, including countries that have achieved a higher level of development, such as Hungary.

A country such as Hungary, which has a small economy, an economy that is heavily dependent upon international economic relations, cannot avoid the impact of these changes. The measures that Hungary has taken to respond to the challenges of the world economy have proven to be less than fully effective. Shortcomings in management have not been corrected. Only two-thirds of our enterprises are functioning and developing in a dynamic fashion. The rest have undergone virtually no changes whatsoever. National income has declined but consumption has risen. The budget deficit is large. Indebtedness to foreign countries has increased. The structure of production and the technical level of products have not been improved. The standard of living of the vast majority of the people has stopped rising. The standard of living of a small number of persons has declined. Many persons have lost confidence in the future. Confidence in leadership has declined.

However, the causes of the situation described above cannot merely be viewed as wrong decisions made during the past few years. We must also see the underlying causes...

Ultimately, the problem facing Hungary at this time is the need to chart a new and more effective path by which to develop socialism.

The program of action drafted by the government of Hungary is such a path. It is aimed at creating the economic environment and conditions for collectives, enterprises and individual workers to earn their income on the basis of their real productivity.

The foremost task is to concentrate on production and accelerate the advancement of the economy and technology. We must be much more selective than we once were in developing industry as well as agriculture. We must accelerate the process of structural change and resolve the problem of enterprises which operate at a loss: either we make them profitable or disband them. In view of the fact that our investment capital is limited, it is necessary to increase the percentage of capital invested in the processing industry, most importantly in sectors that

have the tradition of and the capabilities needed to compete on the world market and those sectors which require little capital and use little by way of raw materials and energy.

Solving the structural and investment problems will lead to the redistribution and restructuring of the labor force. The social security of the worker will not be affected once we have established a jobs fund to create new jobs and retrain displaced workers.

In the new stage of development, it is the human factor to which special importance is being attached. Mental labor is being given appropriate attention because the quality of products and their ability to compete are determined in the design stage, not in production.

As regards leaders, foremost importance must be attached to qualitative requirements. Because the Hungarian economy is closely tied to the primary processes of the world economy, leaders must be persons who know how to engage in strategic thinking, persons who take action, are resourceful and far-sighted. A leader who cannot produce results, who cannot maintain order and discipline, who cannot command the confidence of others must be replaced by someone else who can.

The key problem being faced today is the need to sharply reduce state subsidies, in production as well as consumption. The primary way to eliminate the budget deficit is by increasing revenue sources.

The backbone of the Hungarian economic system today is state-operated enterprises and cooperatives. To resolve the difficulties being encountered, we must increase the production efficiency of the large-scale, socialist production sector.

To mobilize reserves and make better use of resources, we must revamp and develop the economic management mechanism. However, we cannot develop the economic management mechanism if we only make adjustments by means of economic levers as we have been doing. The task confronting us to revamp and develop all aspects of the economic management mechanism. Specifically, we must meet the following three major requirements:

First, a number of primary factors of the regulatory system must be thoroughly reformed, new regulatory tools must be introduced and wider use must be made of monetary tools so that interests are closely tied to assets and a new law on integration must be drafted.

Secondly, we must expand the market mechanism, strengthen the independence of the enterprise, eliminate petty controls in regulatory processes and make the enterprise fully accountable for its production and business.

Thirdly, we must continue to improve the leadership provided by the state and planning methods so that they always make an impact regardless of how circumstances change and guide economic processes toward established targets.

The first step in the process of changing the mechanism is the enactment of a new tax policy. In the year ahead, for the first time in its history, Hungary will enact two new taxes, a circulation tax and a personal income tax. Tax reform has generated much controversy and more than a few contradictions because this is not simply a technical matter, but a matter of a new mechanism by which to redistribute the income of society, a new way of contributing to the budget of society... In other words, these are important matters of social policy. The new tax policy is an economic management tool that can exert an impact upon the character of the enterprise and, in many cases, an impact upon the character of the citizen. The new tax policy will help enterprises to determine whether or not their operations are efficient. The new mechanism will help the highly productive worker who contributes much to society to earn a very high income and will help to bring back the majority of this income to support the development of industry and technology. The personal income tax will be a tax on the income of each person, persons of high income as well as persons earning a low income. The purpose of this is to show everyone that the common costs incurred in meeting the needs of society are not all borne by the state but must be met through the contributions of each person and each citizen. Therefore, everyone will be more responsible for the money they use. The number of different types of taxes and tax rates on production will be reduced and the number of taxes related to consumption will be increased.

Following tax reform, we will reform prices in order to establish a price mechanism and a price system which reflect efficiency and are competitive on the international market. The objective is for prices to reflect real costs and supply-demand. Surplus labor costs cannot be included in prices. Tax reform and price reform must establish a constant and close relationship between production prices and consumer prices.

Together with tax reform and price reform, it is necessary to reform the wage policy. A wage reform program is being drafted for implementation in 1988.

Society's support of the government's program of action is indispensable to the implementation of the socio-economic program. Therefore, the government of Hungary will keep the entire country abreast of the economic situation and its decisions.

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Inflation

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[Article by Oleg Bogomolov, academician, carried in MOSCOW NEWS Newspaper, 20 September 1987, in the "Economic Terminology of Socialism" section]

[Text] Inflation is not a term that originates in the terminology of the restructuring campaign.

In the Soviet economy...inflation has not fit any classic model, rather, it has been manifested mainly in the emergence of a significant shortage of goods in retail commerce and an excessive accumulation of idle money "frozen" in savings accounts or in the "money pipeline." As a result, needs are not satisfied, primarily the needs for food, clothing (attractive and of high quality), children's toys, wooden furniture, vehicles, building materials and services. Also, there is a sharp drop in the coordination among many product groups.

A persistent shortage naturally causes prices to rise. Unfortunately, the retail prices announced by the Central Statistical Department of the Soviet Union each year have not reflected the whole of the real situation. And, everyday experience has shown that the goods being consumed by urban dwellers are at least 1.5 to 2 times more expensive today than they were in the late 1950's. Thus, the purchasing power of the ruble has declined.

Surely, many of the consequences of this drop in the purchasing power of the ruble have been compensated for by increases in wages, subsidies and other social allowances as well as by a larger number of apartments being supplied rent free, by lower cost public services, etc. Nevertheless, inflation has given rise to a number of problems and harmed the interests of a number of strata of the population.

Thus, what are the causes of inflation? Increased expenditures on many types of machinery and materials have caused prices to soar within light industry. But the basic cause continues to be backwardness in agriculture, the food product industry, light industry and the service sector or, in other words, backwardness in the production of the wealth that we must spend to make purchases. This backwardness, of course, has historical causes but these can no longer be defended. It is difficult to correct this mistake with one stroke but we have been taking determined steps in this direction since the 27th Congress of the CPSU.

It is necessary to strengthen the inspection of the balance sheets registered at state bank funds and the amount of bank paper money issued. We must also show greater respect for the relationship between the level of consumption and the amount of labor expended. It is necessary to enact a policy of strict frugality in many expenditures that do not generate profits, including the expenditures demanded by the excessively large management apparatus. We must also struggle against negligence and losses. The cash received in state funds will increase if we increase the business revenues of the enterprises that supply goods and services to the population. To accomplish this, we must implement the new methods and forms of management more aggressively.

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